

REPORT AND ACCOUNTS 2025

LAING O'ROURKE

Powering the 21st Century's Industrial Revolution

70:60:30[®]
A NEW DELIVERY PARADIGM

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KEY PERFORMANCE INDICATORS

Financial performance highlights

Managed revenue¹

£4.7bn

FY24: £4.8bn

Group revenue¹

£4.0bn

FY24: £4.0bn

Net cash¹

£284.7m

FY24: £278.5m

Pre-exceptional EBIT¹

£111.3m

FY24: £75.6m

Pre-exceptional gross margin¹

6.9%

FY24: 6.4%

Net assets

£218.7m

FY24: £201.0m

Operational performance highlights

Order book²

£11.9bn

FY24: £10.8bn

Accident frequency rate

0.13

FY24: 0.16

Client satisfaction

73.5%

FY24: 76.4%

Emissions intensity
(tCO₂e/£m Group revenue)³

310

FY24: 263

1. See notes 4 and 30 to the financial statements.

2. Order book represents the value of work outstanding on secured, anticipated, and preferred bidder contracts on a managed revenue basis.

3. FY24 data has been restated from 275 due to carbon baseline changes and the disposal of Laing O'Rourke Joinery LLC.

AT A GLANCE

Laing O'Rourke is an international engineering and manufacturing-led construction company delivering state-of-the-art infrastructure and buildings projects.

We live by our purpose 'pushing the boundaries of what's possible, in service of humanity'.

We deliver certainty for our clients through our unique operating model.

**MODERN
METHODS OF
CONSTRUCTION**

**DIGITAL
INNOVATION**

**DELIVERING WITH
CERTAINTY**

For more on how we deliver on our unique operating model, please see page seven.

Responsible delivery

We are transforming the way infrastructure and buildings are engineered and built.

By 2030

42%

reduction in
Scope 1 and 2

By 2050

25%

reduction in
Scope 3 category 1

Fully net zero

across
Scopes 1, 2, and 3 (all categories)

Our priority sectors

Europe Hub Australia Hub



Number of
employees¹



Group revenue



Europe Hub

12,329

Australia Hub

2,671

Europe Hub

£2,276.7m

Australia Hub

\$3,311.7m

1. Number of employees as at June 2025. The Europe Hub figure includes 50 per cent of the employees of BYLOR Services Limited which reflects Laing O'Rourke's ownership of the joint venture.

GROUP CHAIR'S STATEMENT

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The 2024/25 financial year saw Laing O'Rourke record another year of growth in pre-exceptional EBIT to £111.3m and year-end net cash of £284.7m. Yet figures alone can never fully convey the values that make Laing O'Rourke a uniquely compelling company.

Sir John Parker
GBE FREng
Group Chair

As I step away after eight years from my role as Chair of the Group Board, I'd refer anyone to a line familiar to everyone who works at, or with, the Company: 'The Power of Experience'.

Since it was founded 47 years ago by Ray O'Rourke KBE and his brother Des, this Company has prized the experience, skills, and institutional knowledge of its workforce. With these assets, the Company has built real and lasting value.

Sadly, we lost Des in July 2024, and he is greatly missed, but the lessons he imparted remain embedded in the DNA of the Company. As is the inspiring contribution of Ray, who is now stepping into the role of Group Chair. He does so at a time when the Company goes into FY26 with an order book of £11.9bn, and in advanced stages of negotiation to expand that further.



Another year of growth in pre-exceptional EBIT

£111.3m

The Company's culture and structure are as robust as they have ever been. We are well positioned to leverage Ray's experience and visionary innovation and deliver on his lifelong mission of transforming the construction industry. Laing O'Rourke is already at the global forefront of complex builds and engineering, but Ray's energy and vision have driven a massive investment in digital design engineering for manufacturing, that has laid the foundation for the transformation of the sector.

As Chair, I know Ray will continue to oversee a rigorous culture of curiosity inspired by our values of care, integrity, and courage. Indeed, it was 'care' for our people and their working conditions that first inspired Ray to push for the most advanced modular construction factory in the UK, in the face of scepticism within the sector. That scepticism has gradually transformed into a widespread desire to reap the benefits of factory quality, productivity gains, and reduced construction times.

These developments took shape from the experiences of our people, and there is real power in investing in, and retaining, talented people over a sustained period of time. While the Company was investing in cutting-edge software, construction methods, and manufacturing precision, a parallel investment has taken place in talent. Of our 6,000 professional staff members, all hold Bachelor degrees or above with 1,000 holding a Master's or Doctorate. We also invest in a further tier of talent in our advanced modern apprenticeships, and an operating model that has the next generation of construction jobs at its heart.

This investment also allowed Ray, Des, and the Board to plan for the CEO succession with confidence, and to strategically nurture a new wave of executive talent to drive Laing O'Rourke's continued growth.

This included transferring Cathal O'Rourke from his role as MD in Australia, after eight years, to serve first as Group COO from 2022, and then Group CEO from 2024. Cathal is a graduate civil engineer and a highly respected leader, who has already established a clear and accountable management culture.

Like his father, Ray, Cathal is committed to transforming the industry, and driving innovation to enhance productivity, quality, and client service.

Several other senior Group appointments were made during 2024. Peter Lyons took up the newly created role of Europe Hub Managing Director while Mark Dimmock succeeded Rebecca Hanley as the Australia Hub Managing Director. Rebecca was appointed as Group Director, Strategic Programmes in a key role for the next cycle of strategic development. Finally, Paul Teasdale replaced Rowan Baker as Group CFO. Rowan accepted a role as Group CFO of a FTSE 250 company and we wish her every success for the future.

These role changes represent both an injection of talent and a consolidation of the Laing O'Rourke project. There has been a single-minded focus on continuity in terms of values and purpose among the Board and the Executive. And we share a collective certainty that under Cathal's leadership, a strong team is in place to deliver on the Company's next phase of innovation and competitive quality.

This will ultimately be delivered by all our people. Ray recently described their ability to direct deliver as "our force multiplier for extraordinary results" and it struck me as a very apt description. This annual tribute to their skill and energy holds special poignancy for me in my final year as Chair, as does my grateful acknowledgement of the loyalty and commitment of my fellow Board members throughout the year.

The experience of working alongside everyone at the Company has been inspirational and powerful. It has been a privilege to observe the continued contribution of Laing O'Rourke's 'Power of Experience' to our fellow citizens in my time here, and I depart knowing that that experience will only grow more powerful in the years to come.

Sir John Parker GBE FREng

Group Chair – stepped down on 31 March 2025



Image: Tideway – London, UK

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

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We enter FY26 with renewed energy for the opportunities that lie ahead and anticipation for the impact we're poised to make.

Cathal O'Rourke
Group Chief
Executive Officer

In the reporting period, we have driven another year of strong progress. We began the year with a clear strategy and a shared commitment to deliver it. We ended it with a record Group order book of £11.9bn. I feel privileged to work alongside so many talented people who are dedicated to our business, which is increasingly resilient, certain, and ready to define our industry's future.

Strength in continuity

We have added talent to the executive team, raised the horizon for our strategic vision to 2032, and invested in transformative technologies. In everything we initiate we maintain the spirit of both curiosity and rigour. Ambition rooted in substance.

We have been fortunate in that regard to serve under leaders who set an inspiring example. Sir John Parker's belief in our manufacturing-led model, his commitment to long-term thinking, and his principled leadership, have helped us to build not only a disciplined strategy, but a culture of delivery.

We thank him sincerely for his service as Group Chair, and for his counsel and enduring influence in guiding us to this point.

It gives me great pleasure to welcome my father, Ray O'Rourke KBE, to his new role as our Group Chair. His commitment to building a better, more productive construction industry has shaped every part of our journey to date. His vision remains as bold and vital as ever, and I am looking forward to continuing this journey with him.

Record Group order book of

£11.9bn

Defining projects

Across our regions, we continue to deliver for clients and communities on some of the world's most complex and consequential infrastructure projects.

To cite just a few, in the UK, we are proud of our work on the Thames Tideway Tunnel, part of Tideway, which saw us as a key collaborator on a multi-billion-pound infrastructure project that represented the largest environmental cleanup of a water course in Europe. In addition, the delivery of the Everton Football Stadium, a transformative icon for the city of Liverpool, was under intense public scrutiny, and offered a clear demonstration of the power of early engagement and modern methods of construction.

In Australia, the completion of the Sydney Central Station Metro project combined a once-in-a-century remodel of a nationally iconic station with a new-build Metro hub for the most significant transportation investment in a generation. The project involved multiple complexities – not least of which was keeping the station functioning throughout, while delivering to exacting environmental standards.

We also successfully completed two defence projects: the Australia-Singapore Military Training Initiative Shoalwater Bay Training Area facilities project in Queensland and the Larrakeyah Defence Precinct Redevelopment Program in Darwin. These marked a significant milestone in our relationship with the Australian Department of Defence. In each sector we prioritise, we want to be the business of choice for clients who value what we do.

Focused, aligned, and ready

On that note, we are continuing to focus on the priority sectors that play to our strengths – healthcare, nuclear and green energy, rail, defence, science and research, and data centres in the Europe Hub; and in Australia – rail, road infrastructure, defence, water, and energy. These are sectors where our approach adds the most value, and where we have the potential to work with clients who recognise the benefits of our innovation, early design/engineering collaboration, and off-site modular construction methods.

We believe these are sectors where we can introduce the best practices, at scale, that will set a new paradigm for the construction industry. This ambition is guided by our values of care, integrity, and courage, and our belief that our people deserve to be working in clean, safe conditions – where they are augmented, not replaced, by technology.

Working with purpose

We are a company with a purpose: 'Pushing the boundaries of what's possible, in service of humanity'. That means safer hospitals, cleaner water, secure energy, and better-connected cities. It also means opportunities for our people: jobs that are meaningful and rewarding, careers that are long-lasting, and workplaces where everyone can thrive.

If there is a keynote project that brings this thinking together, it may be the Sizewell C nuclear power station. We hope that the next chapter in Britain's clean energy future will also represent the next iteration of the long-term thinking, technological leadership, and social contribution that we began to develop through our work on Hinkley Point C.

For Hinkley, our advanced reinforcement manufacturing facility at Avonmouth has delivered off-site construction practices and manufacturing-level precision that are only a preview of what we plan to integrate into the workflow at Sizewell C. Our vision of an Industry 5.0 that integrates people, digital technology, AI, and robotics may 'push the boundaries of what's possible', but it does so behind some verified proof-of-concept practices that advanced productivity at Hinkley.

We'll continue to make the case for that principle to clients, partners, and government in FY26 – and continue to advocate for the most progressive, resilient model of the construction industry we can imagine and build.

That is the model our people, our clients, and the industry deserve.

Cathal O'Rourke

Group Chief Executive Officer

Image: Sizewell C – Suffolk, UK



OUR OPERATING MODEL

We deliver the maximum value for our clients from our vertically integrated, direct delivery model, by improving coordination across our Specialist Trading Business Group and investing in their internal and external growth opportunities. We bring to market innovative and collaborative new business offerings and delivery models that better manage risk and reward and make our industry a more investible proposition.

OUR PURPOSE

Pushing the boundaries of what's possible, in service of humanity

OUR VALUES

Care

We do what's best for our people to improve their lives and the world around us

Integrity

We do things the right way

Courage

We are willing to confront the unknown and challenge the status quo

OUR UNIQUE OPERATING MODEL

Innovation

Transforming construction through technical innovation in design, manufacturing, and construction

Technology

Harnessing digital technology in design, manufacturing, and construction

People

Health and safety through inclusion and wellbeing

Advanced manufacturing

Guaranteeing certainty through off-site manufacturing and a vertically integrated supply chain

DELIVERING LONG-TERM VALUE

For our clients

Industry-changing excellence in engineering

73.5%

Client satisfaction

For society

Social value

£361.3m

Social value created

For our people

Rewarding and challenging careers

68.6%

Staff engagement

For the environment

Targets validated by the Science Based Targets initiative

42.0%

Aiming for reduction in Scope 1 and 2 emissions by 2030

SPECIALIST BUSINESSES



COMMITMENT TO SUSTAINABILITY

Pushing the boundaries

Improving the lives of people while preserving the health of the planet

HOW WE DELIVER DIFFERENT BY DESIGN

We deliver certainty for our clients based on an operating model that harnesses new technologies to maximise the use of pioneering modern methods of construction. Underpinned by more than 150 years of construction and engineering expertise, our approach focuses on manufacturing 70 per cent of a project off site and so improving productivity by 60 per cent and achieving a 30 per cent reduction in programme.



MODERN METHODS OF CONSTRUCTION

By embracing modern methods of construction, we deliver projects faster, safer, greener, and more efficiently for our clients. Our UK manufacturing capability is central to this approach, enabling greater certainty through Design for Manufacture and Assembly (DfMA). Across Australia and the Middle East, we're also leveraging manufactured components wherever possible to extend these benefits globally.

DIGITAL INNOVATION

We embrace cutting-edge technology and digital solutions across every stage of the end-to-end project lifecycle to accelerate delivery, improve quality, and make peoples' lives easier. From building every project twice – first virtually – and automating high volume activities, through to immersive ways of engaging with the project and digital twins at handover, we are transforming project delivery through digital solutions, to enable us to deliver consistently, more safely, and with greater certainty.

DELIVERING WITH CERTAINTY

Our fully integrated delivery team works together to de-risk projects with clients, integrate design and manufacturing with logistics, and accelerate construction on site. This reduces the risks, gives us greater visibility of costs, maximises integration across disciplines, and minimises risk through the delivery process. We retain the knowledge learned on a project and use it to deliver certainty for our next client.

5,000

Components manufactured
by Explore Manufacturing



DIFFERENT BY DESIGN EUROPE



Find out how we
delivered the new
stadium

New Everton Stadium

Later named Hill Dickinson Stadium

Transforming a 19th century dockyard built for the world's biggest ships into a world-class stadium for a Premier League club was an extraordinary feat. But on 19 December 2024, less than three and a half years after breaking ground, Laing O'Rourke successfully handed over a new 52,888-seater stadium to Everton Football Club, ahead of schedule. Situated at Bramley Moore Dock on Liverpool's iconic waterfront, the club's new ground will be the catalyst for regeneration in the north of the city.

Known as 'The People's Project', social value was integral to the delivery plan and during a three-year period, numerous community initiatives were brought to life giving the people of Liverpool and Merseyside opportunities to develop skills and gain employment. The project provided 118 apprenticeships and created 654 new jobs. Additionally, the team carried out thousands of student engagement activities.

The successful handover of the stadium ahead of schedule, stands as a testament to the dedication of Laing O'Rourke's skilled people, our modern methods of construction, integrated supply chain, and digital engineering prowess.

MODERN METHODS OF CONSTRUCTION

75 per cent of the new Everton Stadium was constructed off site, with many of the components manufactured at Laing O'Rourke's Centre of Excellence for Modern Construction (CEMC) in Nottinghamshire. In total, CEMC manufactured 564 twin walls, 651 columns, and 3,844 lattice planks, delivering each component to site at the precise moment required for installation into position. Prefabricated mechanical, electrical, and plumbing (MEP) modules that enable the distribution of power, heating, ventilation, and water to all areas of the stadium were manufactured off site at our Crown House Technologies (CHt) manufacturing facility in Oldbury.

DIGITAL INNOVATION

The Everton project was characterised by a determination to push the boundaries from the outset. As such, it embraced digital delivery, building the stadium twice – once in 4D and once for real. It was the first Laing O'Rourke project to implement a full digital build programme – where no traditional 2D drawings were used. Everything was coordinated through digital models.

The project team won two categories at the 2023 Digital Construction Awards, the first for 'Digital Collaboration of the Year' and the second for 'Digital Innovation in Productivity.'

DELIVERING WITH CERTAINTY

With Laing O'Rourke's vertically integrated delivery model combined with longstanding relationships with suppliers of critical packages such as structural steel and cladding, the team achieved seamless collaboration throughout the project. At the project start, Expanded Piling completed 2,776 piles prior to Expanded Structures casting the sub-structure of the new stadium. The Expanded and Vetter teams began installing structure and facade products manufactured at CEMC from December 2021. Vetter also laid more than 30,000 square metres of paving to create the external fan zone. Select provided plant including the four tower cranes needed to construct the structural frame. CHt manufactured and installed all MEP services on the project.

The team's approach provided greater certainty to the client over programme and product quality.

6-star

Green Star As-Built ratings
– highest awarded in Australia
for railway stations



DIFFERENT BY DESIGN
AUSTRALIA



Find out more on the
METRONET Morley-
Ellenbrook Line

METRONET Morley-Ellenbrook Line

The METRONET Morley-Ellenbrook Line project is a transformative, landmark achievement in sustainable and innovative transport infrastructure leaving a lasting legacy for social impact. Delivered by the MELconnx Alliance, a partnership between Laing O'Rourke and the Public Transport Authority of Western Australia, the project has enhanced connectivity across Perth's rapidly expanding north-eastern suburbs. This expansive rail project offers the public greater transport choice, improves accessibility, and reduces congestion.

Spanning 21km of new rail, the scope included five new modern stations at Morley, Noranda, Ballajura, Whiteman Park, and Ellenbrook – also integrating existing road and bus networks. Other key infrastructure delivered as part of the project included 1.2km of rail viaducts, two road bridges, one rail bridge, two pedestrian overpasses, three pedestrian underpasses, two fauna underpasses, and 3,300 parking bays.

MODERN METHODS OF CONSTRUCTION

Laing O'Rourke's pioneering modern methods of construction practices boosted safety, quality, and efficiency. This approach seeks to undertake 70 per cent of the construction as precast elements, resulting in a 60 per cent improvement in productivity and a 30 per cent improvement in the delivery schedule.

This methodology was powerfully demonstrated in the delivery of two major, elevated rail structures: the 900m Bayswater and the 300m Whiteman Park viaducts. By manufacturing key components such as columns, headstocks, beams, and planks off site, the project team was able to work on both viaducts concurrently. This streamlined construction while significantly enhancing quality control and on-site safety.

DIGITAL INNOVATION

We used a modular construction strategy to develop five architecturally distinct stations. Despite their uniqueness, each station was first built digitally, giving the team confidence in its construction methodology. The modular construction strategy used shared components which reduced waste and simplified logistics.

During the build, our digital systems enabled engineering teams to edit data in real time, on their tablets from site, feeding into the live project model. This central source of truth ensured that everybody had access to the most current information.

With much of the construction risk shifted off site to controlled manufacturing environments, it could be more effectively managed. This approach, combined with advanced digital engineering systems, provided higher quality, faster delivery, and less disruption to surrounding communities – all while using fewer resources.

DELIVERING WITH CERTAINTY

Innovative structural design further amplified these efficiencies. The viaducts were designed with just two longitudinal edge beams instead of the conventional three, eliminating the need for 25 prestressed beams. These edge beams also doubled as containment barriers, removing the requirement for 1.8km of secondary safety infrastructure. Additionally, by designing the prestressed beams to fit existing casting beds in Western Australia, the project avoided costly new infrastructure and shortened lead times. The use of longitudinal headstocks enabled longer spans, which in turn reduced the number of piers and piles required. This design choice cut down on concrete and steel usage and lowered fuel consumption, delivering environmental and economic benefits.

STRATEGIC LOOK FORWARD

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FY25 sees us wind up the cycle of our Deliver 2025 strategy and begin a new programmatic cycle that will take us through to 2032. This gives us the opportunity to reflect on our progress, learnings, and ambitions for the future.

Rebecca Hanley
Group Director, Strategic Programmes

You can't plan for the future without an accurate understanding of your current location. One of the core parts of our Deliver 2025 strategy has been anticipating and preparing for the broader market context we operate in. Most of our projections about economic and contractual models of the sector, the demographic trends, carbon-neutral conventions, and technological innovations, have played out as we anticipated. Where unexpected forces arose (Covid-19, global conflict, and the emergence of AI), our framework has allowed us to be resilient, adaptable, and tuned for opportunity.

Importantly, as we set our trajectory for 2032, we are ending FY25 in the position we planned for.

2025-2032

Looking ahead, there is a lot to be positive about:

- We have carried out the necessary stabilisation and built in resilience and certainty to compete and collaborate in today's markets;
- We have unlocked latent value within the Group over the last strategic cycle, diversifying our portfolio and positioning us as advocates for industry change;
- We have anticipated market dynamics, such as the rise of mega programmes, increasing costs, skills shortages, carbon footprint concerns, or concerns for workforce health and wellbeing, and are ready to work with clients who seek to unlock new levels of productivity; and
- We believe that during the last cycle, the industry's procurement and contract models have pushed the sector to an unsustainable position. Our investments in technological innovation through the last cycle defied industry convention but now positions us in a strong place to advocate for change. Like-minded clients have been receptive to trialling new methods and are playing a vital role in this much needed change. Without them we wouldn't have made the progress we have.

People build buildings, and human relationships are at the heart of everything we do. We are proud of the strong relationships we have with our clients and our delivery partners who share our ambitions for this industry. And we are committed to strengthening them further over the coming decade.

In planning for 2032, our team inherits the results of a cycle with care for our people at its heart. Since our Company's founding, our strategy has always been built on employee experience. That's still true as we grow with the next generation of workers.

Our purpose is 'pushing the boundaries of what's possible, in service of humanity'. As we prepare to push the next boundary, the spirit of service to our people and everyone they serve will be a constant, whatever the future holds.

Rebecca Hanley
Group Director, Strategic Programmes

Deliver 2025 strategy achievements

2024

In collaboration with Barnsley College and T3 Training & Development, we opened the UK's first dedicated modern methods of construction (MMC) training facility, to create a highly skilled, digitally capable workforce to help transform sector productivity.

2023

Laing O'Rourke won the 'Digital Innovation in Productivity' award at the UK's Digital Construction Awards for revolutionising reinforcement design on Everton's new stadium. In the same year Expanded Manufacturing won 'Product Innovation of the Year' at the Offsite Awards for our modular bridges.

2022

Recognised for the second time as one of the Top 100 most innovative companies in the Australian Financial Review. The first was in 2018 and in 2022 we were the only tier one contractor to make it to the list.

2019

Celebrated 10 years of operation at our Centre of Excellence for Modern Construction in Nottinghamshire, UK. It's still Europe's largest and most advanced pre-assembly manufacturing facility and it's been a pioneering example of MMC.

2017

Set out a roadmap towards 2025 with a goal of becoming a recognised leader for innovation and excellence.

Image: South Eastern Project Alliance, Union Station – Victoria, Australia

MARKET ENVIRONMENT

Market conditions in the construction sector remain challenging.

In England and Wales, construction firms accounted for 19.5 per cent of all insolvencies in the year to February 2025. While the number of construction firms becoming insolvent decreased by 8.5 per cent from the previous year, it was a 25.8 per cent increase on 2019 pre-pandemic figures. In fact, since 2021, the UK industry has lost over 11,000 construction firms and 100,000 workers, remaining the worst-hit sector in the UK for insolvencies. Over half of the companies in the FTSE Household Goods and Home Construction sector issued profit warnings in 2024.

It's a similar picture in Australia where more than 2,600 construction companies became insolvent in FY25, up 23 per cent from the previous financial year. This was largely due to the impact of post-Covid inflation on fixed-priced contracts, especially for transport megaprojects. The impact of the Russia-Ukraine war on key commodities has compounded the pressure, with the result that many major tier one contractors have recently posted significant losses.

“Without intentional disruption and transformation, our industry is at risk of 2 per cent margins becoming the norm.”

Cathal O'Rourke, Group CEO, Laing O'Rourke

A complex, dynamic sector

The shift in US trade policy was a notable event at the end of FY25. While the full impacts remain unclear, any tariffs will dampen investor confidence and disrupt supply chains.

In the UK, the 2024 Autumn budget's focus on infrastructure investment suggested cautious signs for optimism, as did falling interest rates. This was offset, however, by rising National Insurance and fuel costs. Delayed starts to infrastructure projects have also had a big impact, especially on the dependent subcontractors who bear the brunt of sector vulnerability. As we look ahead, the 2025 Spending Review and subsequent announcements made regarding a 10-year Infrastructure Plan strengthen our optimism.

In Australia, the Federal Government's 2023 Infrastructure Investment Program Strategic Review continues to hit revenue and order books through the deferral or cancellation of projects. In response, many firms have increased their risk appetite to secure work on the remaining addressable market.

Major transport project activity in the country (projects valued over AUD\$2bn) reached a record peak at the end of FY25, and overall spend is now expected to halve by 2028. Conversely, investment in utilities projects, especially wind, solar, and hydroelectricity, is rapidly growing, reflecting the priorities of the recently re-elected Australian Labor Party. The Federal Government is also ramping up defence spending with an additional AUD\$50bn announced in April 2024 and the first AUKUS projects expected to come to market in FY26. Meanwhile, Queensland is set to become a new hub for major infrastructure investment in preparation for the Brisbane 2032 Olympic and Paralympic Games.

Structural and demographic challenges

The long-term challenges for the industry are structural, cultural, and demographic. Over the last decade, most businesses have cut profit margins to unsustainable levels to try and stay competitive, often outsourcing labour and abdicating proactive involvement in design/engineering solutions. As a result, the industry has shifted towards a model where fixed-price, high-risk contracts are the norm and investment is the exception.

The lack of investment has had serious consequences. While other industries move ahead with technological and AI innovation, construction's tech adoption has been slow and inconsistent. At the same time, individual companies are caught in contractual cash flow traps or litigation, creating a vicious cycle for productivity. This blocks companies from taking the steps needed to ease the pressure – forcing them to take on more high-risk orders.

Another foundational problem is that fewer people view the construction sector as a place to build a career.

In Australia, construction workers aged 55 and over already comprise more than 26 per cent of the market – up nearly five per cent over the past decade.

In the UK, a quarter of the workforce is expected to retire over the next 10 to 15 years, and by 2030, 46 per cent of workers are forecast to be over 50. With only two per cent of Gen Z seeing construction as an attractive career, this workforce is not set to be adequately replenished.

Optimism and opportunity

Despite ongoing volatility and longer-term challenges, there are many reasons for optimism.

As global alliances adjust to US policy shifts and governments reassess priorities around defence and energy security, there may be opportunities for us in the medium term.

Meanwhile, there is an emerging consensus that the current contracting model is broken, and this creates an opportunity for companies that are able to address it. The firms with the discipline and courage to invest in technology, sustain a self-delivering workforce, and argue for private and government procurement models that reflect value over price, will be the ones that emerge stronger over the coming years. Those that attract and retain the next generation of workers, with meaningful jobs, will have a strong advantage. We are aiming to do more than come out of this era stronger – we aim to thrive.

OPERATING REVIEW

The Europe and Australia Hubs delivered strong performances throughout the year. Each focused on strengthening certainty and resilience into the business while continuing to safely deliver high quality projects to our clients. We continued to build our global order book, generating equitable profit margins and building our cash position. We also maintained focus on engaging with our employees to ensure they can enjoy rewarding careers. Having returned to profit in FY24, we continued to build upon our recovery this year by generating Group revenue of £4.0bn and pre-exceptional EBIT of £111.3m.

Our order book stands at £11.9bn predominantly across our priority sectors. This shows that our business is well positioned to continue its growth ambitions. During the year we adopted new, science-based carbon reduction targets, which have been validated by the Science Based Targets initiative, and committed to reporting against the new Taskforce for Nature-related Financial Disclosure (TNFD).

Our Group CEO, Cathal O'Rourke, strengthened his leadership team with the appointment of Managing Directors in the Europe and Australia Hubs. Mark Dimmock, who had been acting Managing Director for the Australia Hub, was officially appointed to the role in December 2024. In February 2025, Peter Lyons, previously the Director of our Specialist Trading Business Group, took up the position as the Europe Hub MD. After returning from parental leave, Rebecca Hanley, Mark Dimmock's predecessor, took up the role of Group Director, Strategic Programmes, where she will maintain our strategic focus on the future and the sustainable growth of our global business.





Image: Ellison Institute of Technology – Oxford, UK

Strong order book with projects across
priority sectors

Europe Hub

The Europe Hub oversees operations in the UK, Middle East, and Canada. It ended the reporting period with a strong order book of £10.0bn and with projects secured and anticipated across our six priority sectors. The strength of the order book provides a sustainable pipeline of work for our existing employees and will open up exciting career opportunities for new people.

The results of the Hub's focus on strengthening certainty and resilience can be seen in a robust financial performance. Group revenue in the Europe Hub was £2.3bn (FY24: £2.5bn), set against a strong uplift in pre-exceptional gross profit to £177.0m (FY24: £134.1m) delivering a gross margin of 7.8 per cent (FY24: 5.3 per cent). Pre-exceptional EBIT rose to £70.7m (FY24: £30.3m). This was achieved despite the challenging market conditions. With an improved net cash position of £66.8m (FY24: £15.4m), the Hub is rebuilding its resilience.

£10.0bn

Project certainty

Across our project portfolio we successfully delivered key milestones, handed over vital buildings and infrastructure to our clients and to communities throughout the UK and Middle East, and secured future work.

Alongside project partner Bouygues TP, our BYLOR team continued to achieve key milestones for client EDF Energy at Hinkley Point C – which will provide reliable, zero-carbon electricity to six million homes. The BYLOR team completed the first reactor building, paving the way for the new nuclear reactor to be installed in December 2024.

As a partner within the Sizewell C Civil Works Alliance, our experience from Hinkley is helping shape delivery plans for the UK's next proposed major nuclear power project in Suffolk. We are also working to support preparation and planning for the deployment of small modular reactors (SMRs).

Our UK business is committed to achieving £2bn of social value and enriching the lives of two million people by 2030. In December 2024 we reached the halfway point to that target, achieving £1bn, and showing our commitment to pushing the boundaries of what's possible in service of humanity.

We were appointed to National Grid's Great Grid Partnership in May 2024. The projects within the Partnership will build the electricity infrastructure needed to deliver low carbon power at scale. In October 2024 we were appointed to a second project with National Grid, this time to deliver a new substation in Margam, Wales.

The Tideway project is also having a positive impact after becoming fully connected in February 2025. After 10 years of construction, the new 25km London super-sewer has already stopped five and a half million tonnes of sewage from entering the River Thames.

Our presence in the science and research sector was strengthened when we signed the main contract to deliver the Ellison Institute of Technology in Oxford in December 2024. This follows early works which began in 2022 under a pre-construction services agreement. The Institute will provide world-class research and development facilities. Our team also completed the Red Hall laboratory building for Oxford North in May 2025. We continue working towards completing the Stephen A. Schwarzman Centre for the Humanities at the University of Oxford. This is the single largest building project the University has undertaken and is due for completion in September 2025.

In the UK and Middle East we are building a reputation as a leading delivery partner of data centres. We were delivering four data centres throughout FY25 and secured a further three. With client Pure Data Centre, we celebrated Abu Dhabi's Yas Island campus becoming operational in March 2025.

Our Middle East team won 'Data Centre Project of the Year' at the MEP Middle East 2024 Awards for the successful project delivery of the Khazna Data Centre DXB02. This is the fifth data centre we have delivered for Khazna under a main contract.

In the defence sector we were appointed by the Defence Infrastructure Organisation (DIO) as one of six companies in a new alliance to build single living accommodation (SLA) for the Armed Forces. The alliance will run for six years and will build 16,000 new bedspaces and improve the lived experience for service personnel.

FY25 saw the successful completion of the East West Rail (EWR) project, which began in 2020. Freight rail services started running in October 2024 and in December the contract was certified as complete. With the construction element of the project delivered, the rail line between Oxford and Milton Keynes is a step closer to reopening to passengers for the first time in nearly 60 years.

Another successful completion in FY25 was Everton Football Club's new 52,888-seater stadium. Handed over ahead of schedule on 19 December 2024, the project fully embraced digital technologies and resulted in 75 per cent of the build delivered using off-site, modern methods of construction. The project also created 654 new jobs throughout the construction lifecycle, along with 118 apprentices receiving valuable experience on such a large site.

Equipping the workforce with the talent and skills needed for the future is a critical element to the transformation needed within the industry. It was rewarding to see the UK's first modern methods of construction training facility open, welcoming the inaugural cohort of Construction Assembly specialists in February 2025. The facility has been developed in collaboration with Barnsley College and T3 Training & Development and will provide the learners with the technical and digital skills required to assemble construction and engineering solutions that have been manufactured off site.

Specialist businesses

In August 2024, Select announced that they were mandating energy monitoring systems as standard on all site accommodation placed on Laing O'Rourke projects. The move will allow the Hub to better understand how and where energy is being used, establish a benchmark, and refine the operations of accommodation going forward so that it is optimised for energy efficiency.

In February 2025, Expanded completed installation of its final major modular bridge on the M25, junction 10 motorway for National Highways. In total, Expanded has delivered seven modular digital bridges across the project and has established the product as an innovative, time saving, carbon-reducing method of infrastructure delivery.

One of the largest projects underway in the specialist business portfolio is Expanded's programme of work for Balfour Beatty Vinci Systra (BBVS) to complete Old Oak Common – the new High Speed 2 station. In February 2025 Expanded completed construction of the base slab, paving the way for the construction of the six platforms.

Celebrating our teams

The teams of people who deliver these projects were recognised during the reporting period for their innovation and talent:

- The Hinkley Point C BYLOR team was recognised for 'Digital Construction Excellence' at the Construction News awards in July 2024. In the same month, Ben Hardie – a digital engineer at the Ellison Institute of Technology in Oxford – took home the 'Digital Rising Star' at the Digital Construction Awards;
- Our Centre of Excellence for Modern Construction (CEMC) in partnership with Converge and the Laing O'Rourke team at Oxford Humanities won the 'Best Use of Technology: Smart Data Collection in Construction' at TechFest 2024;
- The CEMC team picked up the 'Health, Safety, and Wellbeing Initiative of the Year' award at the 2024 British Construction Industry Awards for their rollout of our 'Rethinking Safety Through Inclusion + Wellbeing' programme;

Social value

£1bn

£2bn by 2030

Halfway point to target

UK staff engagement

72%

2024: 64%

8 per cent increase from 2024

- Three of our colleagues were recognised at the 2024 Women In Construction & Engineering Awards. Meeta Sandhu was awarded 'Best Woman Rail Engineer', Lauren Weaver received 'Best Woman Electrical and Mechanical Engineer', and Tanvi Shah won 'Best Woman Construction Planner';
- We were named as a 'GREAT British Employer of Veterans', positioning the business as one of the best armed forces-friendly organisations to work for in 2024; and
- The 5 per cent Club awarded Laing O'Rourke with Gold accredited membership for the third year in a row. The award acknowledges our investment in early talent programmes such as our apprenticeship, graduate, and undergraduate placements, as well as sponsoring employees through further education.

Australia Hub

The Australia Hub delivered another strong performance in FY25 amid challenging market conditions. Hub Group revenue rose to AUD\$3.3bn (FY24: AUD\$2.8bn) and we generated AUD\$90.2m in pre-exceptional EBIT (FY24: AUD\$100.0m). We are particularly proud to achieve these results at a time of inflationary pressure and investment uncertainty for the wider industry.

Revenue for the coming year secured or anticipated before the start of FY26

92.5%



Image: Buranda station, Queensland Rail Station Accessibility Upgrade Program – Australia

We've seen significant spikes in the cost of materials and labour on projects that were awarded near the end of Covid-19 restrictions and the start of the Russia-Ukraine war. Meanwhile, many opportunities have been delayed or deferred due to current or planned changes to public infrastructure investment, reflecting the transition from transport projects to defence, health, and energy.

Despite reducing year on year, the order book remains strong at AUD\$3.9bn (FY24: AUD\$6.2bn). Importantly, 92.5 per cent of revenue for the coming year was secured or anticipated before the start of FY26, and more than 95 per cent was made up of collaborative contracts that are low to medium risk in nature. The quality of the order book composition is testament to our opportunity selection discipline and risk principles, boding well for future performance during a time of continuing global uncertainty.

Expanding the opportunity pipeline

The Australia Hub is planning record bid investment in FY26 to support a strategic move into attractive new sectors, while sustaining our pipeline of major rail, road, and defence projects.

Our diversification into the water and energy sectors in FY25 has already broadened the range of possibilities. Having secured key resources, the Hub will pursue select opportunities in FY26 that will provide greater resilience to our order book in years to come.

Structured change to the Australia Executive Committee

The Australia Executive Committee (AEC) underwent change in FY25 as part of structured succession. Mark Dimmock became the Managing Director of the Australia Hub in December 2024, and appointed Sarah Pearce (Director, Finance), Tom Mullens (Director, Technical and Health & Safety) and Dr. Ralf Dicke (Director, Strategy, Transformation & Innovation) to the AEC at the same time. Their predecessors (Rebecca Hanley, Paul Teasdale, Sarah Crennan, and Dr. Regan Crooks) remain part of Laing O'Rourke and have taken up significant roles in other parts of the business. Mark also appointed Christian Porter (Director, Clients & Markets) to the AEC.

Project highlights

Our project teams continued to push the boundaries of what's possible in service of humanity in FY25, with major milestones and operational successes achieved across most states and territories of Australia.

<p>Victoria</p> <p>In October 2024, we achieved practical completion on two projects for our client, Major Road Projects Victoria (MRPV), that will help bring better, faster, and safer connections between Victorian communities. The centrepiece of our Princes Highway East Kilmany Upgrade project in rural Victoria is a 95m-long single span steel arch suspension rail bridge, the first of its kind in the state. During the build, we ran day-to-day operations from our solar-powered site compound, an Australian first for the construction industry at the time.</p> <p>Meanwhile, the Bridge Inn Road Upgrade project in the northern suburbs of Melbourne has delivered more than 8km of duplicated freeway and arterial roads. We spent AUD\$10.5m with social enterprises during the project, including AUD\$4.4m with Victorian Aboriginal businesses.</p> <p>In support of the Victorian Government’s efforts to eradicate all dangerous and congested level crossings across Melbourne by 2030, we removed four level crossings and constructed two new stations in the city as the Principal Contractor for the South Eastern Program Alliance (SEPA).</p> <p>We also began major project delivery on our most significant project in the Australia Hub, the Eastern Freeway Upgrade – Burke to Tram Road project. The freeway’s first major upgrade since the 1990s, the project will take trucks off local roads in eastern Melbourne and create better community connections. At the end of FY25, design and planning activities were almost complete, while procurement was over 50 per cent complete. Overall project turnover has already exceeded AUD\$1bn and the 1,000-strong project team is well on track to achieve all interim and final construction milestones between now and planned project opening in 2028.</p> <p>Western Australia</p> <p>Our project team successfully brought the METRONET Morley- Ellenbrook line into service in December 2024. More than 40,000 people, including Prime Minister Anthony Albanese, celebrated the opening of the new rail line, which has now been shortlisted for the 2025 Australian Construction Achievement Award (ACAA). See page nine for more details.</p> <p>Laing O’Rourke is on track to deliver other major infrastructure projects on behalf of the Western Australian Government in FY26 and beyond, including the Swan River Crossings project, which</p>	<p>will feature Australia’s first extradosed bridge, and the Byford Rail Extension, near Perth, which will reduce car dependency in one of Australia’s fastest-growing suburbs.</p> <p>Queensland</p> <p>In Brisbane, we accelerated the delivery of suburban train station upgrades in Lindum and Morningside so they could reopen before the end of 2024. The upgrades will improve accessibility and make it safer for customers to travel, especially seniors and people with a disability. Work on a further two stations, as part of the Queensland Rail Station Accessibility Upgrade Program, is forecast to complete in FY26.</p> <p>New South Wales</p> <p>In Sydney, we supported Great River City Light Rail to secure practical completion of stage one of the Parramatta Light Rail for the New South Wales Government. The line is now open and it is estimated that 22,000 people a day will use the 12km route and its 16 light rail stops by 2026.</p> <p>Northern Territory</p> <p>On behalf of the Department of Defence, we began work on the RAAF Base Darwin Mid-Term Refresh project, which aims to enhance security, community safety, and resilience. Early works commenced on site at the end of the financial year.</p> <p>Consistency, credibility, and sustainability</p> <p>Achieving consistent project outcomes remained a top priority for the Australia Hub in FY25. We made significant strides in developing our Project Playbook, a new system that will standardise the Laing O’Rourke project delivery operating model. Trials and beta testing were conducted on several new projects overseen by our Director, Delivery, Paul Milne. Project Playbook is anticipated to be rolled out across all projects in Australia in FY26.</p> <p>Laing O’Rourke continued to champion industry change, focusing on improving the industry’s commercial viability, culture, sustainability, and innovation. Annabel Crookes, Director, Legal and Risk, was re-elected as the President of the Australian Constructors Association (ACA) in late 2024. In partnership with the ACA, we helped author the Culture Standard and policy positions in support of government investment in renewable diesels and carbon reporting.</p>	<div><div>Hub Group revenue</div><div>AUD\$3.3bn</div><div>FY24: AUD\$2.8bn</div></div> <div><div>Gender balance</div><div>34%</div><div>of total staff are women</div></div> <p>Our people continued to drive outstanding environmental, social, and governance outcomes across the country. Mark Dimmock led our engagement with the Australian Climate Leaders Coalition, collaborating with other business leaders to accelerate decarbonisation efforts across Australian industries.</p> <p>We also continued to push for the progressive phase out of diesel on our projects, with public hydrotreated vegetable oil (HVO) trials undertaken in New South Wales and Western Australia. We are proud to be the first contractor to use renewable diesels in Western Australia.</p> <p>Spend with Indigenous businesses is a core commitment in our current Stretch Reconciliation Action Plan (RAP). In FY25, our projects and corporate offices procured AUD\$108.8m in goods and services from Aboriginal and Torres Strait Islander businesses.</p> <p>Gender diversity and female participation remained a top priority in the Australia Hub. We secured the prestigious Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality citation for the third consecutive year and our Inspiring STEM+ programme has now been expanded to eight schools, encouraging 250 young women to be inspired about a career in a STEM industry. Women now comprise 34 per cent of our total staff in Australia.</p> <p>Over the past year, our teams have demonstrated unparalleled dedication and creativity, pushing the boundaries of innovation and excellence, and setting new benchmarks in the industry.</p>
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SUSTAINABILITY STATEMENT

Political turbulence was a feature of the 2024/25 financial year, sending global shockwaves over corporate net zero strategies and diversity, equity, and inclusion policies. This prompted some organisations to dilute or even withdraw their commitments. At Laing O'Rourke, we remain committed to our sustainability targets and strategy. In short, sustainability is intertwined with our business strategy, underpinning our value creation and growth.

That value plays out in a multitude of ways. Maintaining a focus on carbon reduction creates efficiency and cost saving for our business, as well as innovative solutions for our clients. Better environmental performance reduces our risk and exposure to climate change. Creating diversity within our employee community brings fresh ideas and perspectives, helping us address the skill shortage and continue to push the boundaries within our industry. Reducing our impact on the natural environment and finding ways to enhance it, while delivering improvements for society, are not only a moral imperative, they are critical for our business, our resilience, our reputation, and that of our clients.

Clients recognise that our unique operating model delivers significant benefits for them too. Use of digital tools to build twice – once virtually before the physical build – means we can scrutinise each element of the structure before starting work. This drives efficiency, reduces waste, and supports carbon reduction. Our innovation programmes are testing solutions that will help transform our industry. Off-site manufacturing is critical to our engineering innovation and our sustainability offering. It helps mitigate programme delays caused by severe weather events – an increasing feature of climate change. It also reduces environmental waste, gives us greater control over a programme, and enables a wider proportion of our community to access rewarding construction careers.

We're deliberate about working with organisations that share our ethos, recognising that by tackling sustainability challenges together, we'll make a greater impact and accelerate growth.

Sustainability performance

In FY25 we adopted new science-based carbon reduction targets, which have been validated by the Science Based Targets initiative (SBTi). We committed to reporting against the new Taskforce for Nature-related Financial Disclosures

(TNFD) framework and will publish our first, partial disclosure post FY26. We surpassed £1bn social value return on investment at the end of 2024 in the UK, which is halfway towards our 2030 goal. Our Australian business delivered AUD\$113m social value spend in FY25, representing important progress towards our 2030 target of AUD\$800m. Our social value data is calculated using specialist social impact software from Thrive in the UK and from certified data from Social Traders in Australia.

Making progress in sustainability is a continuous journey. We worked with external consultants to independently assess our progress in relation to the market during FY25, identifying areas of strength and areas for improvement. We are nearing completion of a double materiality assessment to ensure that we continue to prioritise the areas that have the biggest impact.

We have made significant progress in improving our carbon data accuracy. However, acquiring good-quality Scope 3 data remains an industry-wide problem, with spend-based data commonly used. This means increases in our spend for goods and services currently show as an increase in Scope 3 emissions. We're investing in Scope 3 data integrity and working closely with supply chain partners to access high-quality data for our most carbon-intensive products. We are tackling waste reduction head-on, as a means of reducing cost and carbon.

Our carbon performance results this year show we still have work to do. We only know this because through the SBTi, we have in place best practice measurements, based on science that provide a true baseline for improvement. This work has already started by actively managing carbon in our work, managing our materials – steel, fuel, and concrete – and working with our suppliers to minimise carbon output.



Image: Ventilation columns at Tideway – London, UK



For **our clients**

Reduce whole life carbon through the use of calculation tools, design partnerships, and continuous product development

- Investment in carbon management resource and tools to provide enhanced service to clients;
- Carbon forecasting methodology embedded in Australia and introduced in the UK;
- Carbon management documentation published to ensure consistency of approach across all projects;
- PAS2080:2023 certification underway, with stage one audit passed (UK); and
- Environmental Product Declarations (EPDs) now available for our five most commonly-used products from UK-based Centre of Excellence for Modern Construction (CEMC).

Modern methods of construction enable us to help clients meet their sustainability ambitions

- Combination of digital modelling, Design for Manufacture and Assembly (DfMA) methodology, and off-site manufacture provides greater control over programme timeframe and embodied carbon, while minimising disruption for local communities.



For **society**

Inspire the next generation: Promote STEM and construction careers in schools, colleges, and universities

8,117 staff hours

invested in STEM engagements in the UK since 2022, supporting 27,530 young people, including school visits, work experience placements, and university site tours

- Australian STEM+ programme has now expanded to eight schools, supporting 250 young women.

Deliver **£2bn social impact in the UK by 2030**

£305m

delivered in FY25

£1.046bn

delivered so far

Deliver **AUD\$800m social spend in Australia by 2030**

AUD\$113m

delivered in FY25

AUD\$227m

delivered so far

Become a Disability Confident Employer by FY26 in Australia

- Continued work with Australian Disability Network (AusDN) in the development of Laing O'Rourke Australia's Access & Inclusion plan.



For **our people**

Achieve 50/50 gender balance among our global staff by 2033

28%

of our global staff were women at end of FY25

Per cent of global staff who are women



Industry-leading parenthood policy

- Parenthood policy remains industry-leading, and is supported by complementary benefits.

Achieve our third WGEA Employer of Choice Gender Equality citation in Australia

- Achieved in FY25.



For **the environment**

42 per cent reduction in Scope 1 and 2, and 25 per cent reduction in Scope 3 category 1 (purchased goods and services) by 2030 based on 2023 baseline

- Adopted new science-based carbon reduction targets, validated by the Science Based Targets initiative.

Use 100 per cent low carbon concrete on our UK projects

15.5%

reduction in emissions from concrete achieved in first year of mandate

75.8%

adoption in FY25

- Low carbon concrete mandate introduced in April 2023.

Understand the impact of our sites, offices, and depots on nature

- Assessments conducted across our global site portfolio, determining impacts, risks, and opportunities;
- More detailed ecological assessments have been completed at key sites, and biodiversity action plans developed; and
- Supply chain mapping work has commenced, focusing on seven key commodities.

WORLD’S FIRST PASSIVHAUS CONCERT HALL AT OXFORD UNIVERSITY

The Stephen A. Schwarzman Centre for the Humanities, part of the University of Oxford estate, is a truly exciting venture for client and contractor. The challenge? To deliver a best-in-class, sustainable building in the heart of the University, while causing minimal campus disruption. The vast complex will house a 500-seat concert hall, theatre, ‘black box’ lab for experimental performance, public engagement centre, new library, café, and meeting spaces. It is also expected to be the UK’s largest ever certified Passivhaus building, meaning it needs to meet the rigorous international quality assurance standard for energy efficiency and thermal performance.

The project needs are a perfect fit for our expertise, with our integrated supply chain coming into its own.









Our in-house digital solution, off-site construction, commitment to lower carbon materials, and lower carbon site solutions, are enabling us to deliver a truly spectacular building with strong sustainability outcomes, including what is thought will be the world’s first Passivhaus concert hall. Not only will its Passivhaus status minimise operational emissions for the University for the long-term, but it will minimise ongoing costs too.

We’re already deploying the knowledge and expertise cultivated on this project in new schemes.



Image: The Stephen A. Schwarzman Centre for the Humanities – Oxford, UK

At a glance

-  Passivhaus typically reduces heating demand by **90%**
-  Low carbon concrete abated **544 tCO₂e**
-  **97.7%** recycled steel reinforcement
-  **98.4%** reduction in carbon from fuel by using HVO in place of diesel
-  **13%** Biodiversity Net Gain estimated at project completion
-  **110** hours of volunteering and community engagement
-  **166** young people benefitted from educational outreach
-  **£180,000** saving through challenging timber spec and sourcing a more sustainable solution

“We have pushed ourselves to create a building that truly makes a difference, and the partnership with Laing O’Rourke has helped us to realise that vision. By bringing together digital design, off-site construction, and sustainable technologies and materials, it delivers a uniquely innovative and sustainable solution. At each stage of the project, the team have collaborated to deliver a more sustainable building.”

Jennifer Makkreel, Deputy Head of Capital Projects, University of Oxford



Image: South Eastern Project Alliance, Union Road and Mont Albert Road Level Crossing Removal project – Victoria, Australia

SUSTAINED SUCCESS IN VICTORIA, AUSTRALIA

We are a proud member of the South Eastern Program Alliance (SEPA) in Victoria. This year, the Alliance’s work on the Union Road and Mont Albert Road Level Crossing Removal project received two major accolades.

The project was awarded 6-Star Green Star As-Built ratings by the Green Building Council of Australia, placing it in the ‘world leadership’ category for building design and construction. It also achieved the highest Infrastructure Sustainability Score for a Victorian project, with an As-Built score of 101 points.

Reducing material use through finding ways to build less, build clever, and build efficiently, was a core focus of the team from the very beginning. Careful, collaborative planning and design resulted in substantial savings. The consolidation of Surrey Hills and Mont Albert stations into Union Station reduced infrastructure needs and material use, as well as associated emissions.

The team also identified opportunities to reduce pile depths, lower material quantities, and deploy lower carbon concrete and steel. A 61 per cent whole life carbon reduction was achieved through combining the stations, making carbon-efficient design and material choices and installing a solar PV array.

“By setting new benchmarks in environmental performance and heritage preservation, this project not only enhances the safety and functionality of Victoria’s transport infrastructure but showcases a model of excellence that will inspire and guide sustainable construction practices for years to come.”

Hollie Hynes, Head of Sustainability and Environment, Australia

SUSTAINABILITY GOVERNANCE

Sustainability reporting

Authenticity, innovation, and targeted action are at the heart of our sustainability strategy. In addition to mandatory regional disclosures, we are deliberate in our choices over voluntary sustainability disclosures. Frameworks like CDP, science-based targets, and Taskforce for Nature-related Financial Disclosures (TNFD) help us develop knowledge and solutions that are valuable to our business and our clients.

We are focused on improving our data, particularly for Scope 3 emissions where access to detailed, high-quality data remains inconsistent for all companies. Having access to higher-quality data will create changes in the way we report. This will be communicated in future disclosures so that changes are clearly understood.

Full disclosures are available within our Laing O'Rourke Plc Annual Report and Accounts. A summary is included here, providing continuity from previous reports.



Image: Electric crawler crane – Liebherr LR1250.1 250t lattice jib crawler crane

Summary of position and progress

Governance

Theme	Summary of status, progress, and next steps
Assessing and managing sustainability-related risks and opportunities	<p>The Board is responsible for managing risk across the Group. It delegates to the Audit and Risk Committee responsibility for monitoring risk and obtaining adequate assurance over the design and effective operation of mitigating processes and controls. Along with the Sustainability Committee, which also operates at Board level, sustainability-related risks and opportunities are assessed and managed through the corporate centre and Hub Executive Committees. This maintains a top-down and bottom-up approach to risk.</p> <p>Group and Hub Executive Committees are responsible for translating strategic direction into action, ensuring risks and opportunities are acted upon and embedded into functional plans and processes.</p> <p>While hub and Group-level principal risks are reviewed at least annually, projects, business units, and functions also maintain detailed risk registers.</p>
Governance arrangements for assessing and managing sustainability-related risks and opportunities	<p>When it comes to sustainability risk management, cross-functional working groups are proving effective in embedding mitigation practices in a consistent manner. The result is a tightening of sustainability risk management.</p>
Identifying, assessing, and managing sustainability-related risks and opportunities	<p>Sustainability-related risk management follows the same process as all principal risks, ensuring a standardised approach, and consistency of information presented to our Executive Committees, and the Audit and Risk Committee.</p> <p>We use the risks and opportunities identified through climate scenario analysis, assessing whether they could impact achievement of our short-term and longer-term strategic priorities. Next, we evaluate the processes and controls in place to reduce the likelihood of the risk occurring, as well as actions we would take to mitigate impact if it were to occur.</p> <p>We assess our risk appetite to ensure we are focusing appropriate effort on the risks we consider most material.</p> <p>Risk and opportunity registers on all of our projects are used to identify, assess, and manage sustainability-related risks and opportunities on individual construction sites.</p> <p>A cross-functional operational committee has been established, with the remit of analysing the impacts of climate change at an operational level. By taking a bottom-up and a top-down approach to sustainability risk assessment, we're developing the tools and processes to make sure we respond to our changing environment and identify thresholds for action.</p> <p>A double materiality assessment is being completed in FY26, helping us to identify any new priority areas, as well as any blind spots, for ESG impacts, risks, and opportunities. The results of this will be published in FY26, and is helping to drive our strategic focus.</p>

Summary of position and progress continued

Strategy

Theme	Summary of status, progress, and next steps
Integrating sustainability-related risks and opportunities into the Group's overall risk management process	<p>Sustainability-related risks and opportunities are assessed and managed using the same framework, criteria, and methodology as all other risks. These are documented within our central risk register and presented at our Audit and Risk Committee, following review and adoption by our Executive Committees.</p> <p>Detailed sustainability-related risks and opportunities are also identified at project-level, documented within respective risk registers, and then collated at a Group level to ensure comprehensive coverage. The cross-functional operational committee meets monthly, with additional meetings scheduled as needed based on emerging risks or significant weather events. This dual-level approach ensures both bottom-up operational insights and top-down strategic alignment.</p>
Identifying principal sustainability-related risks and opportunities in relation to the Group's operations, and associated time horizons	<p>We have maintained our principal risk rating from last year, but continue to monitor the frequency of severe weather conditions and the impact to project programmes, equipment damage, and access to insurance.</p> <p>A substantial piece of climate scenario analysis was completed in FY23, identifying risks and opportunities using near-, mid-, and long-term horizons. This analysis has continued with more quantitative assessments in FY25, with preliminary results to be published in FY26. Controls are continuously reviewed to manage short-term risks and opportunities, including through project control mechanisms. Longer-term risks and opportunities help to inform our business strategy, focus, and investment plans.</p>

Risk management

Theme	Summary of status, progress, and next steps
Assessing the impact of sustainability-related risks and opportunities on the Group's operating model and strategy	<p>We make the case for off site/DfMA to mitigate against impacts of physical risks, create opportunities to link together expertise in carbon management, biodiversity management, and social value leadership – offering more integrated sustainability programmes for clients – and to win projects in sectors where we can leverage our expertise and support society. We invest in fixed facilities that enable us to deliver lower carbon modular solutions for our target sectors in a controlled environment, deliver improved outcomes for communities through our in-house social value programmes, and maintain in-house innovation teams focused on decarbonisation solutions to help mitigate future carbon costs and access opportunities for lower carbon solutions. Implementation of carbon forecasting through our project gateways is helping us to make more informed decisions about the impact of projects from both a carbon and commercial perspective.</p>
Analysing business resilience based on the sustainability-related risks and opportunities identified, based on scenarios	<p>We are experienced at managing the impact of variations in weather conditions and use climate data to inform project planning. This includes the use of contingency days and costs at project level, based on the position and natural landscape surrounding each site. Our climate risk operational committee, established in FY24, is using in-depth climate scenario analysis completed in 2023, along with real data from projects, to build additional rigour into our assessment of physical climate risks. This will inform the way we go to work for future projects. The remit of this committee includes analysis of weather trends, identification of project delays, assessment of equipment damage, and insurance data.</p> <p>We have integrated climate risk into our core business risk management processes, having identified it as a principal risk. This means it is regularly reviewed, monitored, and strategic action is taken to mitigate the impact of our changing physical and market environment.</p> <p>Specific scenarios used (chosen to align with TCFD recommendations) include: 1.5°C warming scenario (aligned with net-zero commitments); 3°C+ warming scenario (current trajectory without intervention); and transition risk scenario (rapid policy changes).</p> <p>The potential business impacts of these scenarios include: physical risks (site disruptions, supply chain delays, and increased insurance costs); transition risks (carbon pricing impacts, changing client requirements, and technology investments needed); and opportunities (growing demand for sustainable construction and competitive advantage from early action).</p> <p>Our operating model of using off-site manufacture and DfMA helps us to mitigate some of that programme risk, shifting a proportion of our work to controlled conditions, and we continue to invest in DfMA to protect business resilience.</p>

Summary of position and progress continued

Metrics and targets

Theme	Summary of status, progress, and next steps
Using targets to manage sustainability-related risks and realising sustainability-related opportunities and performance	<p>We originally set targets for carbon reduction and gender balance in 2021, introducing social value targets in 2022 (UK) and 2023 (Australia). We revisited our carbon reduction target in 2023, following a major programme of data improvement around Scope 3. This resulted in the development of new science-based carbon targets for carbon reduction for Scopes 1, 2, and 3 (category 1) by 2030, as well as a commitment to be a net zero company by 2050. Our science-based targets have been validated by the Science Based Targets initiative (SBTi).</p> <p>Reducing our emissions lowers our exposure to carbon taxes and related costs, and improves our reputation with customers and stakeholders. Progressing towards our gender balance target helps us demonstrate that we are an employer of choice to a greater talent pool, mitigating the risk of a declining construction workforce.</p> <p>Our social value targets connect to our purpose and values – pushing the boundaries of what’s possible in service of humanity, with care, integrity, and courage. We construct buildings and infrastructure that serve society. Demonstrating our commitment to delivering value to the communities in which we operate is an important aspect of managing our reputation publicly, and of accessing the clients we want to work with, and the kind of projects we want to win.</p> <p>Progress towards these targets is shown on page 19.</p>



Image: Tideway – London, UK – cleaning up the River Thames for current and future generations



FINANCIAL REVIEW



Paul Teasdale
Group Chief
Financial Officer

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I am pleased to present the Laing O’Rourke financial review for the year ended 31 March 2025. The Group delivered strong growth in both profit and cash, with pre-exceptional EBIT of £111.3m, up £35.7m or 47.2 per cent (FY24: £75.6m), and year end cash of £513.1m (FY24: £446.7m). This was driven by continued gross margin recovery and growth, coupled with tight control of overheads.

Group financial summary FY22 – FY25

	FY25 (£m)	FY24 (£m)	FY23 (£m)	FY22 (£m)
Pre-exceptional Group revenue ¹	3,956.5	3,989.6	3,374.3	2,965.5
Pre-exceptional gross profit ²	273.5	254.2	109.9	282.3
Pre-exceptional gross profit % (gross margin) ²	6.9%	6.4%	3.3%	9.5%
Pre-exceptional EBIT ³	111.3	75.6	(78.8)	95.5
Post-exceptional EBIT	75.0	40.0	(273.9)	19.8
Profit/(loss) before tax	41.5	18.1	(288.1)	2.7
Profit/(loss) after tax	29.5	7.6	(196.5)	11.5
Net cash (note 36)	284.7	278.5	286.3	339.1
Cash and cash equivalents (excluding bank overdrafts)	513.1	446.7	428.1	456.1
Net assets	218.7	201.0	199.0	404.8

1. FY25 and FY24 had no exceptional items impacting Group revenue.
2. Pre-exceptional gross profit and gross margin are stated before deduction of exceptional items of £35.5m (FY24: £24.4m).
3. Pre-exceptional EBIT is stated before deduction of exceptional items of £36.3m (FY24: £35.6m).

The key financial results are summarised below:

- The Group delivered growth in profit despite continued global turbulence, resulting in a pre-exceptional EBIT of £111.3m, up 47.2 per cent from the prior year (FY24: £75.6m). The post-exceptional EBIT of £75.0m (FY24: £40.0m) includes an increase in defects provisions related to the Building Safety Act 2022 of £21.7m (FY24: £19.6m). It also includes the impact of a movement in the claim provision recognised in the Australia Hub regarding a disputed contract of £14.3m (FY24: £1.8m) and associated legal costs of £0.2m (FY24: £6.6m). The figure also reflects closure costs of £0.1m (FY24: £2.0m) relating to the closure of a subsidiary, and redundancy costs of £nil (FY24: £5.6m);
- The Group delivered a strong cash performance, finishing the year with cash of £513.1m (FY24: £446.7m) and net cash (cash less debt – see note 30) of £284.7m (FY24: £278.5m);
- Group revenue remained in line with prior year at £4.0bn (FY24: £4.0bn), reflecting a decrease of 9.2 per cent in the Europe Hub and an increase of 13.4 per cent in the Australia Hub;
- The pre-exceptional gross margin has increased to 6.9 per cent (FY24: 6.4 per cent) for the year ended 31 March 2025. This was driven by improved project performance in FY25, and the effect of delivery challenges on FY24’s gross margin caused by projects experiencing significant change. We keep the impact of inflation under continuous review and carefully manage and mitigate its effects, wherever possible;
- Net assets have increased to £218.7m (FY24: £201.0m), reflecting the profitability of the Group net of the exchange differences on translating foreign operations; and
- At the year end, the Group had a record order book of £11.9bn (FY24: £10.8bn), which represents approximately three years’ revenue (order book is defined as the value of work outstanding on secured, anticipated, and preferred bidder contracts). One of our key areas of focus remains converting our pipeline to secured work, which stood at £6.0bn (50.4 per cent of total order book) at the year end (FY24: £6.3bn and 58.3 per cent of total order book). This will remain a key priority during FY26.

The Group results comprise those from the two operating hubs and a corporate centre. A full breakdown of their key metrics can be found in note 4 to the financial statements.

Europe Hub financial summary

	FY25 (£m)	FY24 (£m) ¹
Group revenue	2,276.7	2,508.2
Pre-exceptional gross profit ²	177.0	134.1
Pre-exceptional gross profit % (gross margin) ²	7.8%	5.3%
Pre-exceptional EBIT ³	70.7	30.3
Post-exceptional EBIT	49.0	3.9
Profit/(loss) before tax	14.4	(21.0)
Net cash	66.8	15.4
Cash and cash equivalents (excluding bank overdrafts)	230.1	139.6

1. FY24 gross profit and gross margin now shown pre-exceptional items. Pre- and post-exceptional EBIT and loss before tax have been restated from £68.4m, £41.9m, and £17.0m respectively to correct a £38.0m misclassification of costs between the Europe Hub and the corporate centre. FY24 pre-exceptional EBIT has been restated by a further £0.1m to correct a rounding error. No impact to the Group level results.
2. Pre-exceptional gross profit and pre-exceptional gross profit margin are stated before deduction of exceptional items of £21.7m impacting cost of sales (FY24: £21.2m).
3. Pre-exceptional EBIT is stated before deduction of exceptional items of £21.7m (FY24: £26.4m).

Despite a 9.2 per cent fall in Group revenue driven by project lifecycle mix, the Europe Hub performance (which includes the Group's operations in the UK, Middle East, and Canada) continued to strengthen in FY25 with pre-exceptional gross profit increasing by 32.0 per cent or £42.9m to £177.0m (FY24: £134.1m). This was driven by improved project performance, and the effect of delivery challenges on FY24's gross margin caused by projects experiencing significant change.

The Europe Hub's pre-exceptional EBIT increased to £70.7m (FY24: £30.3m). This was driven by the improvement in gross margin as set out above, together with tight control of overheads, the profit on disposal of subsidiaries (see note 13 to the financial statements), and a continued focus on securing research and development expenditure credits. The Europe Hub's performance is underpinned by an improved order book contract risk profile coupled with disciplined focus on priority sectors.

Australia Hub financial summary

	FY25 (£m)	FY24 (£m) ¹
Group revenue	1,679.8	1,481.4
Pre-exceptional gross profit ²	108.1	120.9
Pre-exceptional gross profit % (gross margin) ²	6.4%	8.2%
Pre-exceptional EBIT ³	44.2	51.1
Post-exceptional EBIT	29.6	41.9
Profit before tax	28.4	40.4
Net cash	180.0	233.4
Cash and cash equivalents (excluding bank overdrafts)	245.1	277.3

1. FY24 pre-exceptional gross profit and pre-exceptional gross profit % (gross margin) have been restated to correct a misclassification (in the above table only) of £1.4m of exceptional items between cost of sales and administrative expenses. FY24 pre-exceptional EBIT has been restated by £0.1m to correct a rounding error.
2. Pre-exceptional gross profit and pre-exceptional gross margin are stated before deduction of exceptional items of £13.8m impacting cost of sales (FY24: £3.2m).
3. Pre-exceptional EBIT is stated before deduction of exceptional items of £14.6m (FY24: £9.2m).

The Australia Hub continues to deliver strong results with pre-exceptional EBIT of £44.2m, £6.9m lower than prior year. The FY25 result has been impacted by local market conditions driving a lower pre-exceptional gross margin of 6.4 per cent (FY24: 8.2 per cent), together with strategic investment in digital and data to drive transformation. This was partially offset by tight control of overheads. The Australia Hub's performance is underpinned by the favourable order book risk profile, with more than 95 per cent being under the collaborative contracting model, and a disciplined focus on priority sectors.

Exceptional items

The Board believes exceptional items should be disclosed separately on the face of the income statement to help readers understand the underlying financial performance achieved by the Group. The Group's pre-exceptional EBIT is before incurring exceptional items of £36.3m (FY24: £35.6m).

The Europe Hub incurred exceptional costs (before interest and tax) of £21.7m (FY24: £26.4m) including £21.7m of defects provisions due to the Building Safety Act 2022 which is net of associated insurance recoveries (FY24: £19.6m), £nil of closure costs (FY24: £1.6m), and £nil of redundancy costs (FY24: £5.2m).

The Australia Hub incurred exceptional costs (before interest and tax) of £14.6m (FY24: £9.2m). These costs included £14.3m for a claim provision relating to a contract terminated in the 2017 financial year (FY24: £1.8m), £0.2m of legal costs (FY24: £6.6m), £nil of redundancy costs (FY24: £0.4m), and £0.1m of costs relating to the closure of overseas operations (FY24: £0.4m).

Alternative performance measures (APMs)

The Group is disclosing as alternative performance measures within this report: pre-exceptional managed revenue, pre-exceptional Group revenue, pre-exceptional gross margin, pre-exceptional EBIT, and EBITDA pre- and post-exceptional items. The APMs are reconciled to statutory measures in note 4 and their definitions are summarised in note 30 to the financial statements. The directors believe this adds clarity to the presentation of the financial statements and better reflects our internal management reporting. The directors also believe it is appropriate to disclose those items that are one-off, material, or non-recurring in size or nature separately.

Funding

The Group's net cash position (cash less debt but excluding the impact of IFRS 16, Leases) increased versus the prior year to £284.7m (FY24: £278.5m). The Group operates extensive controls over working capital and cash management, and proactively engages with its financial stakeholders.

The Group complied with all its revolving credit facility (RCF) banking covenants during FY25 and did not require any waivers or relaxation of these covenants. Further details are provided under the UK funding section on page 27. The covenants related to the RCF are also detailed in note 29.4 to the financial statements.

The contracting model and financing environment faced by the Group in each of its territories are distinct. The blend of arrangements adopted therefore differs between territories. As well as debt instruments, such as bank loans and overdrafts, the Group sometimes uses project-related bonding and guarantees to support its activities. These instruments are largely issued by insurance companies, but also by other financial institutions. The bonds are issued on behalf of contractors to their clients and provide compensation in certain circumstances, such as defined aspects of contractor under-performance. They can also be used to underwrite client advances and relaxations of client retentions.

These instruments are unsecured, but can convey significant rights to the issuers, similar to those conveyed to other financial institutions e.g. fees, covenants, reporting requirements, and ranking in the event of financial distress.

Over recent years, the Group has sought to reduce its use of these instruments, predominantly in the UK. However, it is still common practice in Australia and the Middle East to provide such instruments, which have decreased by £48m in total in FY25.

Group bonds and guarantees

	FY25 (£m)	FY24 (£m) ¹	FY23 (£m)	FY22 (£m)
Surety exposure	261	278	289	267
Bank exposure	46	77	144	100

1. The FY24 surety exposure has been restated from £282m due to a delayed confirmation received for a bond step-down in the UK.

UK funding

UK core debt

	FY25 (£m)	FY24 (£m) ¹
RCF/term debt ²	—	—
Property loan	13.0	13.0
Asset financing	110.2	98.1

1. FY24 and FY25 numbers now include asset financing, which better reflects the UK core debt position.

2. The RCF, as detailed below, was drawn down at various points during both FY24 and FY25, but was repaid at both year ends.

The Group has in place an unsecured revolving credit facility with HSBC. The loan had an initial expiry date of 3 October 2023, which was extended to 3 April 2024 during FY23 and further extended to 3 April 2026 during FY24. As part of the latest extension, covenants related to interest cover and net debt to EBITDA were replaced by an adjusted EBITDA covenant, and the minimum liquidity covenant was amended to include three forecast month-end periods. The facility was maintained at £35.0m through to 31 March 2025, at which point quarterly £2.5m reductions commenced, which will reduce the facility to £25.0m by 31 December 2025.

The facility incentivises or penalises Laing O'Rourke, depending on its progress against the following key sustainability metrics: reducing carbon intensity, diverting waste from landfill, and growing the number of women in project delivery.

UK bonds and guarantees

	FY25 (£m)	FY24 (£m) ¹	FY23 (£m)	FY22 (£m)
Surety exposure	60	54	67	58
Bank exposure	—	—	—	—

1. The FY24 surety exposure has been restated from £58m due to a delayed confirmation received for a bond step-down.

In the UK, bonding and similar instruments were £60m at 31 March 2025 (FY24: £54m). The UK business has significantly reduced its exposure to such instruments in recent years.

Australia funding

AUD\$18.9m was drawn under bank guarantee facilities at 31 March 2025 (FY24: AUD\$39.8m). There are also surety bonding facilities, from which AUD\$315.7m was drawn at 31 March 2025 (FY24: AUD\$362.5m). The Australian business utilises equipment finance facilities to support the acquisition of plant and equipment.

Middle East funding

The Middle East business is supported through access to bonding lines provided by local banks and surety bonding.

At 31 March 2025, the business had AED nil drawn on its overdraft (FY24: AED nil) and utilised AED267.5m of bonding (FY24: AED294.5m).

Corporate centre funding

On 5 July 2024, a loan of £40.0m was advanced from Ebsworth Holding & Finance Limited, a related party, to the Group on commercial terms. The loan is for a term of two years.

Significant asset acquisitions and disposals

The disposal of Laing O'Rourke Joinery LLC in the Middle East was completed on 31 May 2024 resulting in a credit to the income statement of £3.5m. Laing O'Rourke Construction South Limited entered a creditors' voluntary liquidation on 20 February 2025 resulting in a net credit to the income statement of £14.0m at a Group level. See note 13 to the financial statements for further details.

Order book

The Group order book stood at a record level of £11.9bn at 31 March 2025 (FY24: £10.8bn) reflecting a disciplined focus on priority sectors and continued improvement in risk profile. While this is a strong order book performance, the Group must continue to prioritise conversion of its pipeline to achieve the targets of its business plan. This will remain a key focus for the remainder of FY26.

We continue to target opportunities in priority sectors within each hub and with clients whose purpose and values are aligned with ours.

The Europe Hub order book continued to grow, standing at £10.0bn at 31 March 2025, compared with £7.6bn at 31 March 2024. We continue to work closely with the UK Government as a strategic supplier to deliver much-needed hospitals and infrastructure. We have also secured new work as part of the Ministry of Defence's strategic alliance and the New Prisons Programme Alliance and were appointed to National Grid's Great Grid Partnership during the year. Winning further work across the data centre and nuclear and green energy priority sectors also contributed to the Europe Hub's strong order book performance.

In the Middle East we continue to target opportunities in Dubai and Abu Dhabi, where we have a permanent presence and a strong track record.

Despite reducing year on year, the Australia Hub order book remains strong, standing at £1.9bn at 31 March 2025 (FY24: £3.2bn), with a low-risk composition. The order book has been impacted by the fiscal constraints of the Australian economy during FY25. However, the Hub has broadened its available pipeline of opportunities through strategic diversification into the water and energy sectors in FY25 and significant bid investment is planned in FY26 to support the Hub's position and capitalise on the pipeline of opportunities.

Tax

The Group takes its social and economic responsibilities seriously and pays the appropriate amount of tax in all countries where it operates.

The Group recorded a tax charge of £12.0m in the year (FY24: charge of £10.5m) and the current tax payable at 31 March 2025 was £0.3m (FY24: £0.4m). See note 11 to the financial statements for a full analysis of the tax charge.

We regularly re-evaluate our position on tax returns where tax regulations are subject to interpretation and make provisions where appropriate based on what we expect to pay to the tax authorities.

Factors affecting the tax charge in future years are set out in note 11 to the financial statements.

As a worldwide company, Laing O'Rourke is subject to several factors that may affect future tax charges, principally the levels and mix of profitability in different jurisdictions, transfer pricing regulations, tax rates imposed, and tax regime reforms. On 11 July 2023, the UK enacted the Finance (No.2) Act 2023, introducing a global minimum effective tax rate of 15 per cent. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. On 22 October 2024, Jersey adopted similar Pillar 2 legislation to introduce a minimum effective tax rate of 15 per cent, fulfilling Jersey's commitment to enact the OECD's global minimum tax framework for large multinational groups. The Jersey minimum effective tax rate will be applicable from the accounting period beginning 1 April 2025 (FY26).

A Pillar 2 Effective Tax Rate (ETR) is calculated for every jurisdiction in which the Group operates and Pillar 2 Income Taxes will arise when the Pillar 2 ETR is less than 15 per cent. Pillar 2 Income Taxes could be payable in the UK, or the local jurisdiction if it has introduced a Qualifying Domestic Minimum Top-up Tax.

We continue to monitor potential impacts as further guidance is published by the OECD and territories implement legislation to enact the rules. Management has assessed the impact of the Pillar 2 rules based on our FY25 data, and no Pillar 2 Income Taxes are expected to arise in most jurisdictions where the Group operates. The Group believes it qualifies for one of the transitional safe harbours provided.

It is anticipated that Laing O'Rourke may, in some jurisdictions, incur additional tax liabilities, but the effect on the reported tax charge is reasonably estimated to be immaterial.

Pensions

The Group operates several pension schemes with leading industry providers in Europe and Australia. These are defined contribution schemes and, as such, aside from regular monthly contributions, there are no outstanding pension liabilities.

Insurance

Insurance broking globally is consolidated with Marsh, which has strong technical expertise in arranging insurance for engineering and construction-based projects, as well as international market coverage.

The Group carefully monitors the balance between the Group's captive insurance risk and risk associated with insurance purchased in the external market.

Our liability insurance profile tracks and correlates with our safety performance. The number of High Potential (PCI) events reduced from 45 in FY24 to 35 in FY25. The Group remains comfortable with the level of insurance risk it is carrying internally.

Intangible assets

The Group has £343.2m (FY24: £344.7m) of intangible assets on its balance sheet, with goodwill accounting for £318.1m (FY24: £320.7m). The movement in goodwill year on year is due to foreign exchange fluctuations. Goodwill is not amortised under International Financial Reporting Standards but is tested annually for impairment. In accordance with IAS 36, the recoverable amount has been tested with reference to four-year forecasts, discounted at the Group's estimated weighted average cost of capital.

As at 31 March 2025, based on internal value-in-use calculations, the Board concluded that the recoverable value of the cash-generating units related to goodwill exceeded the carrying amount. Details of the tests applied can be found in note 12 to the financial statements.

Finance and treasury policy

The Group's Treasury function has continued to closely and prudently manage the Group's liquidity, funding, and financial risks arising from movements in areas such as interest rates and foreign currency exchange rates. The Group has not entered into foreign currency hedges. The Group continues to review its credit support and prioritise the management of key financial stakeholders, including key banking relationships and surety bonding providers who support our long-term strategic agenda.

UK construction working capital and supply chain payments

The UK business has made significant progress in its supplier payments over the last year. We continue to target further improvements and remain fully engaged with current sector dialogue regarding payment practices.

Since the 2008 financial crisis, access to traditional bank funding for tier one contractors and subcontractors alike has reduced, due to a loss of appetite for the sector by UK banks. Securing off-balance-sheet support has also become more difficult, due to a reduction in the appeal and availability of bonding and guarantee facilities.

Tier one cash flow is particularly sensitive to the length of time taken to agree and settle changes and variations. Similarly, it is sensitive to the value of cash retentions and the lengths of time that clients hold on to them, and any reluctance of clients to pay upfront for the significant cost and risk of mobilising a major project, including the related off-site manufacture of components.

All parties involved in the sector must collaborate to provide a more modern approach to payments and provide adequate working capital to avoid the current hand-to-mouth, trickle-down of liquidity.

Laing O'Rourke Plc became a signatory to the UK's Prompt Payment Code (PPC) in 2013, and remains committed to improving its payment performance.

Laing O'Rourke Delivery Limited is the main trading entity in the UK, a wholly owned subsidiary of the Laing O'Rourke Plc Group, and the main entity subject to the PPC.

The UK businesses have reported their latest set of payment practices data for the six months to 31 March 2025. During this period the average number of days to pay invoices decreased to 23 days (six-month period ended 30 September 2024: 28 days), the percentage of invoices paid under 60 days increased to 94 per cent (six-month period ended 30 September 2024: 88 per cent), and the percentage of invoices paid to terms has increased to 75 per cent (six-month period ended 30 September 2024: 72 per cent).

During the first half of FY25, invoice payment timing was impacted by ongoing negotiations and significant under-valuations on one major contract, which have now been finalised. The business continues to operate with a lower level of debt, in line with its strategy to reduce debt risk. Despite this, payment practice data has remained materially in line with the prior year.

There is still progress to be made by the Group in paying all suppliers within terms, particularly given continued inflationary pressure across the supply chain. We constantly review measures that can further improve payment practice performance.

While we remain focused on improving payment practice performance, we acknowledge that we operate in a sector where supply chains and contractual terms are complex. Prompt payment is often prevented by a lack of debt availability in the sector, as well as the complexity of contractual terms, the resulting delays in resolution of disputes, and the time required to agree change instructions.

Risk and accounting policies

The Group continues to focus on further improving its risk management framework and risk and assurance processes.

The Board regularly assesses and monitors risks affecting the Group. Further details of the Group's risk management process, governance, and oversight are set out on pages 31 to 38 of the risk management section, together with the Group's principal risks.

Laing O'Rourke Corporation Limited reports its company and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the European Union and Companies (Jersey) Law 1991. The Group's material accounting policies are explained in note 2 to the financial statements.

Macro-economic environment

Despite the ongoing global economic turbulence, the Group order book increased year on year with significant growth in the Europe Hub, and the Australia Hub order book, while remaining strong, was impacted by the Australian economy fiscal constraints.

During FY25, inflationary pressures continued to be monitored with cost increases on certain materials impacting the Australia Hub. We continue to manage inflation risk from the bid/tender stage and throughout the contract life, through our governance processes and contract protection mechanisms. We have also made further progress in improving the Group inflation risk profile through continued adoption of a more resilient contracting model across the Group.

Challenges with staff recruitment and retention, and unexpected challenges in areas such as deliveries to site, are largely mitigated through our vertically integrated, direct delivery model, and direct employment.

The Board will continue to monitor the impact of global turbulence on the Group business environment, and remains alert to the need to respond to changes in market conditions, such as US tariff implications, freedom of movement, right to work, disruption to supply of plant and equipment and key construction components, exchange rates, and primary commodity prices.

Outlook

The Group has delivered increased profitability in FY25, with improved project performance, tight cost control, and a significant reduction in the impacts from challenging projects experiencing significant change. However, we remain alert to global and domestic political instability and continue to monitor the impact of further potential delays to capital investment in both UK and Australia public-sector works.

Management continues to focus on building resilience and providing certainty through effective risk management, prioritisation of sectors where our operating model can deliver the most value, continuing to adopt a more resilient contracting model, and embedding new processes and controls on project and client selection.

Our FY26 forecast, and the longer-term delivery of our strategic targets, is underpinned by our robust order book and predicated on continuing to win sufficient opportunities within our pipeline, the continued implementation of our strategic workstreams, and the ability to contain the impact of any potential further inflationary pressures and public-sector capital investment delays.

The Board remains confident that the strategic plan can be delivered, but will continue to closely monitor any further impacts of inflation, exacerbated by global turbulence, together with any changes to key judgements and estimations. This includes the likely timing of the outcome of the ongoing arbitration in Australia. This has been explained in our going concern note on pages 62 to 64. The impact of climate change on our forecasts and future performance has also been explained in note 2.28b to the financial statements.

The Board remains confident in the resilience of the business and its leadership due to its proven track record against a challenging market backdrop, including the impacts of Brexit, the pandemic, and inflation.

The UK Government is committed to a significant level of infrastructure investment, as set out in both the Autumn 2024 budget and Spring 2025 statement, as well as through the announcements made regarding a 10-year Infrastructure Plan. However, there remains some uncertainty around timing of investment.

Adoption of modern methods of construction remains central to government investment, which the Europe Hub is well placed to respond to. This is especially true given the pioneering investment and development of our own advanced manufacturing facilities, backed by new digital platforms and our continued commitment to technology and innovation.

In Australia, current or planned changes to public infrastructure investment have seen opportunities either delayed or deferred. However, the Australia Hub order book composition and risk profile remain strong. Diversification into the water and energy sectors in FY25 coupled with key opportunities identified to pursue in FY26 will further diversify and strengthen the Australia Hub order book position and outlook. The business remains focused on taking advantage of significant opportunities across its more traditional sectors of rail, road, and defence, together with the water and energy sectors.

The Group will focus investment across key enablement areas of people, technology and innovation, processes, data, and systems, together with its unique operating model, to drive its strategy forward.

Our continued investment in our existing advanced manufacturing footprint in the UK, as well as our vertically integrated, direct delivery model, our focus on working with the right clients in priority sectors, our strong client engagement, and our robust internal control environment, all ensure we are well positioned and differentiated from our competitors in order to continue winning high-quality work.

The Group also continues to work closely with the UK Government as a strategic supplier to deliver much-needed hospitals and infrastructure in support of its investment agenda. The Group has continued to convert its strong pipeline, and this remains one of the Board's main priorities for the remainder of the current financial year.

The Group now has 86 per cent of its expected FY26 revenue either secured or anticipated, and 76 per cent of its expected FY27 revenue secured, anticipated, or at the preferred bidder stage. The Group order book stands at £15.8bn as at 30 June 2025.

The Board has considered the Group's financial requirements based on current commitments, its secured order book, and the factors set out above, as well as the latest projections of future opportunities. It has then evaluated these against its banking and surety bonding arrangements and has concluded that the Group is well placed to manage its business risks and meet its future financial targets successfully.

Going concern

The directors have considered the Group's forecast future cash flows and downside cash flow scenarios. The directors consider it reasonable to assume that the Group has adequate resources to meet its obligations as they fall due for at least 12 months from the date of approving these financial statements. See pages 62 to 64 of the consolidated management report for further detail. For this reason, the going concern basis continues to be adopted in preparing these financial statements.

Paul Teasdale

Group Chief Financial Officer

RISK MANAGEMENT

Managing risk to deliver our strategy

At Laing O'Rourke, we bring our engineering expertise to deliver complex buildings and infrastructure.

Risk is inherent in our industry. Understanding the constantly changing risks, establishing our risk appetite, and ensuring our controls and processes are operating as designed, are essential ingredients in the recipe for success for our Deliver 2025 strategy.

We have established a clear governance structure and risk management process to ensure all our decisions are risk-focused, fit within our risk framework, and drive us towards our 2025 strategic priorities.

Governance and oversight

The Board is responsible for managing risk across the Group. It delegates responsibility for monitoring risk, and for obtaining adequate assurance over the design and effective operation of mitigating processes and controls, to the Audit and Risk Committee.

The Audit and Risk Committee, through the Group and hub executive boards, maintains both a top-down and bottom-up approach to risk. While hub and Group-level principal risks are reviewed at least annually, projects, business units, and functions also maintain detailed risk registers to ensure the principal risks remain complete and relevant.

Our risk management process

We have adopted a standardised approach to risk and assurance across both hubs to ensure consistency of information presented to our Executive Committees and the Audit and Risk Committee.

We assess risk after taking account of the current control environment, providing a true picture of the current levels of risk. If we are outside the limits of our risk appetite framework, we design and implement further processes and controls.

We separately ensure we have the required level of assurance that our processes and controls are operating effectively.

Firstly, we identify the principal risks that could impact the achievement of our 2025 strategic priorities. Our next step is to evaluate and understand the processes and controls currently in place to reduce the likelihood of the risk crystallising, as well as actions we would take to mitigate impact if it were to occur.

We then establish our risk appetite. This ensures we are not taking unacceptable risks, while equally ensuring we are not focusing unnecessary time and effort on reducing the likelihood and impact of risks below levels we are willing to accept.

During FY26, we will continue to enhance our assurance programme to more regularly assess whether our processes and controls are operating effectively to mitigate risk.

Risk

Identifying and bringing principal risks within risk appetite (assumes mitigating activities are operating as designed)

Assurance

Gaining assurance that mitigating activities are adequately designed and operating

1. Identify, evaluate, and assess risks

- A. **Identify** those risks which could materially impact the Group's ability to deliver its strategy
- B. **Evaluate** the current activities which reduce these risks
- C. **Assess** the residual impact and likelihood of the risk occurring

2. Consider if risk level is acceptable

- A. **Consider** if current risk level is within risk appetite
- B. **Formulate** action plan to further reduce risk level if necessary

3. Assurance gap analysis

- A. **Identify** existing BAU assurance activity
- B. **Determine** required level of assurance (both scope and level of independence)
- C. **Identify** assurance gaps

4. Additional assurance

- A. **Perform** additional assurance activities as required

Principal risks

Our principal risks align with our four key pillars:

- People;
- Technology and innovation;
- Manufacturing; and
- Our unique operating model.

Our principal risks are reviewed at least annually by our Hub and Group Executive Committees, or more frequently if circumstances require.

For each principal risk, we have outlined the causes of the risk, the effect it could have, and the actions we are taking to reduce the likelihood of the risk crystallising, or to mitigate its impact if it were to crystallise.

Our governance framework is underpinned by our project gateway process. Coupled with our project delegation of authority, this sets out 10 project gateways that form the lifecycle of our projects, ensuring we achieve our strategic aims within the limits of our risk appetite.



Rating trend legend: ▲ increase in risk during period ▶ no change in risk during period ▼ decrease in risk during period

1. Health and safety

GEC sponsor Group Chief Executive Officer

Rating trend ▶ no change (FY24: ▲ increased)

Risk

Failure to maintain a safe working environment and prevent serious injury/fatality.

Significant deviation from agreed safe systems of work could potentially expose employees, subcontractors, suppliers, and/or members of the public to dangers or hazards that could lead to injuries, health implications, financial loss/penalties, or serious damage to our reputation, internally and externally.

How we manage it

The fundamental focus of our health and safety governance framework is to eradicate serious accidents and occupational health issues from all our operations. We do this through continued implementation of our 'Rethinking Safety through Inclusion + Wellbeing' programme. During the year we have focused on:

- Continued innovation and collaboration with our clients and design partners, to design out risk and engineer in health and safety at the earliest stage of our projects;
- Consistent implementation and continuous monitoring and review of our accredited health and safety management system, our leading delivery excellence standards, health and safety procedures, and competence requirements, to ensure a high level of compliance across all our operations;
- Engaging with our people and supply chain at every level to ensure they play an active part in how we go to work and in building our operational resilience, remaining vigilant to health and safety risks;
- Supporting our people in managing their personal health, wellbeing, energy, and capacity, to ensure continued levels of sustainable high performance;
- Refreshing our health and safety governance structure and continuing to foster an open and honest learning culture based on trust, integrity, and genuine care for our people – maintaining continued rigour surrounding incident investigation and enhanced resilience across all operations;
- Maintaining a high-compliance health surveillance programme for employees who undertake roles that have known health risks, together with enhancing business maturity on the potential occupational health risks associated with our operations; and
- Continuing to provide specialist support to the business, to better manage health risks at work.

2. Work-winning

GEC sponsor	Group Director, Commercial, Clients & Markets (EU)
Rating trend	▼ decreased (FY24: ► no change)

Risk

Work-winning with unfavourable price, scope, and programme.

Misalignment between price, scope, programme, and terms of contract could result in inadequate contractual protection and potential cost escalation. It could also impact our ability to deliver the financial performance and cash flows underpinning our growth strategy. In our Australia Hub, new market entrants are increasing market competitiveness.

How we manage it

The Clients & Markets function is focused on securing a long-term, sustainable pipeline of work across priority sectors with high-quality clients, ensuring alignment with our strategic objectives and operating model. The risk rating has decreased during FY25 due to enhanced controls implemented on contract approach. Our approach to opportunity selection and pursuit is governed using a series of assurance gateways, managed via our integrated Group Management System (IGMS), and includes:

- Requirement of Executive authorisation before resources are committed to prepare an offer in pursuit of an opportunity, ensuring alignment with our strategic ambitions;
- An interdisciplinary bid settlement process, with each project being assigned a bid lawyer, ensuring all aspects of any proposed contract are transparently recorded, debated, and challenged to mitigate the likelihood of excessive risk exposure;
- An automated delegation of authority framework, providing clarity and structure on approvers and approval levels when committing bid resource or making offers to clients;
- Focus on collaborative clients with long-term pipelines and high likelihood of repeat work, aligned with our culture of client-centric delivery and continuous improvement;
- Enhanced pre-contract due diligence with clear scope definitions and robust risk assessment, backed by digital tools (CEMAR and Contrace);
- Enhanced protective mechanisms on new contracts; and
- Monthly formal Executive reviews of bidding performance, volume, and resourcing against our strategy and business plan, informing strategic work-winning decisions.

3. Our people

GEC sponsor	Group Chief Executive Officer
Rating trend	► no change (FY24: ► no change)

Risk

Shortage of skilled individuals within the construction sector hampering ability to deliver strategic objectives.

Challenges for the industry include the number of people due to retire, attraction of early talent to the industry, and retention of existing staff in a climate of competition for roles across the industry. A shortage of talented individuals could impact financial performance and delivery of the strategy.

How we manage it

Attraction

- Promote and deliver early talent career opportunities and industrial placements to school, college, and university leavers, regardless of market conditions;
- Seek diverse new entrants from a range of industries;
- Offer enhanced employee benefits packages that are market-leading in the industry and offer parity with highly skilled professions; and
- Actively position Laing O'Rourke as a leader in diversity and people experience to attract the best talent available in the market.

Retention

- Strive for upper quartile employee engagement for our people to thrive;
- Create an environment where our people can thrive through ambitious diversity and inclusion strategies and actions;
- Continue to invest in our Design for Manufacture and Assembly (DfMA) operating model, in pursuit of an enhanced working experience for our people;
- Invest in industry-leading health, safety, and wellbeing programmes to design out risk and engineer in health;
- Create opportunities for stretching and diverse careers across the Group, in technology and innovation and in our specialist businesses, and provide opportunities for international transfers; and
- Continue to invest in our relationships with industry partners, universities, and academic institutions to support career development and innovation within the industry.

Rating trend legend: ▲ increase in risk during period ► no change in risk during period ▼ decrease in risk during period

4. Climate change and sustainability

GEC sponsor	Group Director, Legal, and Sustainability
Rating trend	➤ no change (FY24: ▲ increased)

Risk

Failure to manage and respond effectively to climate change.

Failure to respond to climate-related challenges could have a fundamental impact on our business strategy. This could lead to adverse impacts on project planning and delivery, failure to take action to limit exposure to operational vulnerabilities, and negative impacts on work-winning ability, financial planning, access to finance, and our reputation.

How we manage it

Responsible, sustainable decision-making lies at the heart of our business. Modern methods of construction continue to underpin our approach, helping to mitigate some climate-related risks and providing a point of competitive differentiation.

Our sustainability strategy focuses on four key pillars, as described in the Sustainability statement. These are focused on acting for clients, the environment, society, and our people.

In addition, the following actions support the mitigation of climate-related risks:

- Innovation – taking a fresh approach to technical design, material use, building techniques, and nature protection, to continually find new solutions to today’s sustainability-related challenges;
- Collaboration – taking an active role within our industry to drive change as a collective, via our partnerships with trade bodies, our supply chain, governments, and regulators;
- Targeted action – as detailed in our sustainability governance statement on pages 21 to 24, using climate scenario analysis to drive our activity and priorities, ensuring we take the most impactful actions first; and
- Accountability – ensuring responsibility for sustainability is shared across our organisation, and risks, opportunities, and actions are visible at each level, including Board, Executive team, management, and staff.

5. Financial resilience

GEC sponsor	Group Chief Financial Officer
Rating trend	▼ decreased (FY24: ➤ no change)

Risk

Failure to maintain adequate financial resilience and/or liquidity or comply with financial covenants.

Inability to secure funding in the form of refinancing facilities could impact our ability to bid for work, make investments, or meet our ongoing liquidity needs. This could adversely impact profitability, cash flow, and future growth. Failure to meet financial covenants could lead to an event of default if any breach is not remedied within the relevant grace period.

How we manage it

Our experienced Cash Management, Treasury, and Finance teams take a prudent approach to liquidity. They constantly monitor and maintain sufficient cash reserves, as well as available bank facilities, to meet liabilities and financing needs as they fall due. The teams also take a proactive stance on monitoring and complying with covenants and reporting requirements. Procedures are in place to monitor and forecast cash usage and other highly liquid current assets. This, together with committed credit facilities, ensures we have adequate available cash. The rating trend has decreased during FY25 due to the continued improvement in financial performance and record order book. Additionally:

- We maintain strong relationships with our lenders and other financial stakeholders, ensuring we keep them fully and regularly informed of all developments in relation to liquidity management. We have received full support from our financial stakeholders throughout the year;
- Our Clients & Markets function focuses on securing work with associated cash receipt profiles in line with our cash operating model, including securing mobilisation payments;
- We continue to pursue cash and financing opportunities, such as asset finance secured against plant and machinery, or the disposal of legacy assets, ensuring we meet our liabilities and financing needs as required; and
- We operate standardised reporting, forecasting, and budgeting processes to ensure cash generation and covenant compliance are maintained.

Rating trend legend: ▲ increase in risk during period ➤ no change in risk during period ▼ decrease in risk during period

6. Business integrity

GEC sponsor	Group Director, Legal, and Sustainability
Rating trend	➤ no change (FY24: ➤ no change)

Risk

Fraud, bribery, and corruption activities.

Failure to detect and prevent illicit activities could result in severe reputational damage and loss of licence to operate, and therefore our ability to win work.

How we manage it

We are committed to operating to the highest ethical standards and take a zero-tolerance approach to fraud, bribery, and corruption. We expect all employees and partners to act in accordance with our published Global Code of Conduct and established business integrity policies. There are several focus areas that support this approach:

- Continued awareness programmes regarding our business integrity policies, covering bribery and corruption, fraud, money laundering, modern slavery, sanctions compliance, and competition;
- Continued availability of anonymous, independently operated whistleblowing hotline available to anyone wishing to raise concerns (Safecall);
- Continuous training of our staff and workforce to ensure they understand our commitments regarding fraud, bribery, and corruption, and the implications for our business of failing to properly address them;
- Ensuring effective arrangements are in place to allow people to raise concerns about inappropriate behaviour, and to ensure such concerns are investigated appropriately;
- Interacting with business units and functions via an annual risk assessment and biannual control review, to ensure we maintain effective controls to prevent and detect fraud, bribery, and corruption;
- Undertaking effective due diligence on our clients, suppliers, and other business partners; and
- Reviewing our Global Code of Conduct and business integrity policies regularly, to ensure their effectiveness.

7. Project delivery

GEC sponsor	Hub Managing Directors
Rating trend	➤ no change (FY24: ➤ no change)

Risk

Failure to deliver projects on time, to budget, and to expected quality.

Inability to deliver our portfolio of projects across all geographic locations on time, to budget, and to the right quality could result in financial loss or reputational damage.

How we manage it

Project Certainty is our operating model for how we deliver projects against a set of key principles, to drive consistency across our portfolio, creating a common experience for our clients:

- The Board-approved project delegation of authority framework details the cascade of authorisations required for any substantial changes proposed that would deviate from the key terms and delivery methodology agreed during the bid process;
- In the UK, we are continuing to roll out CEMAR, a contract management solution, to all new NEC and FIDIC projects and are developing the tool further for JCT projects. This will significantly improve our change management processes and will provide one source of truth for all contract communications;
- For any special projects sitting outside our standard delivery model, we ensure appropriate length pre-construction services agreement periods to ensure scope of works are fully understood;
- Contracts are signed at appropriate design stage maturity;
- Direct delivery helps to mitigate shortages in the industry;
- Our integrated Group Management System (iGMS) details a clear project playbook and must be adhered to across our portfolio, ensuring consistency of approach;
- Early engagement initiatives, innovative Design for Manufacture and Assembly (DfMA) methodology, and our integrated end-to-end capabilities serve to mitigate risk and offer greater surety of delivery; and
- Our digital agenda and engineering technologies continue to achieve time and cost efficiency through a full visualisation of the build sequence and design delivery integration in our programme to build.

Rating trend legend: ▲ increase in risk during period ➤ no change in risk during period ▼ decrease in risk during period

8. Procurement/supply chain

GEC sponsor	Group Director, Commercial, Clients & Markets (EU)
Rating trend	▼ decreased (FY24: ► no change)

Risk

Lack of supply chain resilience.

Cascading failure in the supply chain, including subcontractors and material procurement, or inflationary impacts disrupting our ability to deliver to requirement and price, could result in potential project overruns, reduced margins, and adverse impacts on client relationships. This could affect future work-winning.

How we manage it

The Procurement function is responsible for the acquisition of services and supplies in support of the Group’s business activities, as set out below. The risk rating has decreased in FY25 due to enhanced due diligence on supply chain partners.

- Exposure to external supply chain failure is reduced due to our internal, vertically integrated capability. A significant proportion of key work packages and manufactured products are delivered in-house. Contractual terms provide us protection in case of insolvency of an external supplier;
- A continued commitment to maintain strong, long-term relationships with key supply chain partners ensures alignment to our needs;
- Regular reviews of our lists of preferred suppliers ensure compliance with legislation and regulations applicable to us, and to the businesses of those in the supply chain;
- Robust supplier selection and monitoring processes are in place to ensure we respond appropriately to changes in supplier circumstances;
- Inflation risk is managed by, wherever practical, signing up the main works packages back-to-back with the main contract award; and
- Greater certainty of supply is secured through long-term strategic framework agreements with key supply chain partners.

9. IT security, cyber security, and resilience

GEC sponsor	Group Chief Financial Officer
Rating trend	▲ increased (FY24: ► no change)

Risk

Business reputation, data, and operations at risk of evolving cyberattacks from cyber criminals, hacktivists, or disgruntled staff.

A successful cyberattack could lead to the unauthorised disclosure of data, disruption to business systems and operations, or a contravention of our regulatory or certification compliance requirements.

How we manage it

Technology is crucial to maintaining a flow of information across our projects and offices. It is therefore important that our systems, controls, and protocols are robust in this area. We continue to look for opportunities to complement or enhance our cyber security position. The risk rating has increased in FY25, reflecting a broader rise in the frequency and sophistication of cyberattacks observed across all industries.

In support of this, we have delivered:

- A dedicated, global Cyber Security team focused on monitoring and managing our cyber defence controls across the Group;
- Regular specialist external audits and use of external partners to provide specialist services such as penetration testing and digital forensics;
- Additional cyber controls for the Group to satisfy compliance requirements as per the Australian Cyber Security Centre’s (ACSC) Essential 8, and the UK National Cyber Security Centre’s (NCSC) Cyber Essentials Plus certifications;
- Defined process to conduct risk assessments as part of onboarding new IT suppliers;
- Regular user education through different channels, including mandatory cyber e-Learning modules, phishing simulations, posters, and in-person workshops; and
- Increased investment in cyber controls around business data classification and ongoing supply chain risk management.

Rating trend legend: ▲ increase in risk during period ► no change in risk during period ▼ decrease in risk during period

10. Macro-economic environment

GEC sponsor	Group Director, Commercial, Clients & Markets (EU)
Rating trend	➤ no change (FY24: ▲ increased)

Risk

Negative impact of changes in macro-economic conditions on work-winning pipeline, procurement of goods and services, our people, and our clients.

Prolonged market turbulence and disruption from political or economic instability, both domestically and internationally, could result in reduction or delay in work-winning opportunities, shortages of goods and/or services from our supply chain, and delay in client decision-making, adversely impacting our financial resilience and results.

How we manage it

We monitor the continued economic turbulence, inflation instability, and geopolitical developments, and use the following to mitigate, where possible, adverse impacts to project delivery and our financial position:

- Regular financial review and monitoring of project performance so timely action can be taken, and themes identified;
- Centralised review and monitoring of relevant procurement price and lead time data, allowing timely action;
- Scenario analysis to consider the impact of high inflation, with relevant actions identified; and
- Engagement with stakeholders by a dedicated team to increase the profile of our industry in political debate.

11. Portfolio

GEC sponsor	Group Director, Commercial, Clients & Markets (EU)
Rating trend	➤ no change (FY24: ➤ no change)

Risk

Insufficient or inappropriate diversity of clients, and/or misalignment between our client portfolio and strategic aims.

Our portfolio/pipeline may not be sufficiently diversified across sectors, clients, and project size to ensure our strategic aims are achieved across macro-economic cycles, including changing public spending priorities.

How we manage it

- We regularly review our portfolio and pipeline to ensure appropriate diversification, taking into account the risk and reward profiles of the client or sector;
- Annual market and macro-economic reviews help us calibrate our portfolio and pipeline against the prevailing economic conditions; and
- All new bids follow our rigorous gateway approval process, during which the bid is considered in the context of the wider portfolio, to ensure continued alignment of the business with our strategic aims.

Rating trend legend: ▲ increase in risk during period ➤ no change in risk during period ▼ decrease in risk during period

12. Laws, policies, and regulations

GEC sponsor	Group Director, Legal, and Sustainability
Rating trend	▲ increased (FY24: ▲ increased)

Risk

Failure to comply with, and manage effectively, current legislation and regulations, and/or implement new legislation and regulations.

Failure to respond to changes in applicable legal, tax, and regulatory requirements in a timely manner, or to fully understand the impact and implications of applicable regulatory changes, could result in unintended non-compliance.

How we manage it

The Group operates in sectors that are subject to increasing and complex oversight from regulators (e.g. the Building Safety Act 2022 in the UK), scrutiny from stakeholders, and complicated contractual arrangements. Measures we have in place include:

- Active monitoring of, and response to, regulatory changes;
- Awareness-raising of changes across the Group with mandatory training implemented where required;
- In the UK, an engagement and training campaign focusing on enhancing awareness of the Building Safety Act 2022;
- In Australia, an engagement and training campaign focusing on the requirements of the Security of Payments legislation and Work Health and Safety legislation across the various states and territories;
- An anonymous, independently operated whistleblowing hotline available for anyone to raise concerns; and
- Regular reviews of risk assessment and controls within our compliance programme with necessary improvements made as and when required.

Continued monitoring

The following area continues to be monitored for any potential impact to the Group.

Joint arrangement partners

Non-delivery by our joint arrangement partners through poor performance, financial failure, or reduced capacity or capability could impact our ability to deliver projects on time, to budget, and to the right quality, impacting financial performance or reputation. Our in-house delivery capability allows us to work independently whenever possible, reducing our reliance on third parties. Joint arrangements are only established when our interests are complementary to those of our partners.

Our robust process for entering into a joint arrangement relationship continues to mature in conjunction with our wider controls, ensuring that a thorough evaluation of the financial and operational integrity of a potential partner takes place before committing to any formal arrangement. Once established, the implementation of our governance procedures throughout the duration of a project seeks to ensure compliance with all contractual terms and practices. Operational cohesiveness is strengthened and maintained with regular supplemental 'Principals' meetings between senior executives, in addition to our weekly business plan review process.



Rating trend legend: ▲ increase in risk during period ► no change in risk during period ▼ decrease in risk during period

GOVERNANCE INTRODUCTION

Corporate governance principles

During the year ended 31 March 2025, our relevant UK companies in the Laing O'Rourke Group have considered the Companies (Miscellaneous Reporting) Regulations 2018 and elected to apply the Wates Corporate Governance Principles for Large Companies, as published in December 2018 (the 'Wates Principles').

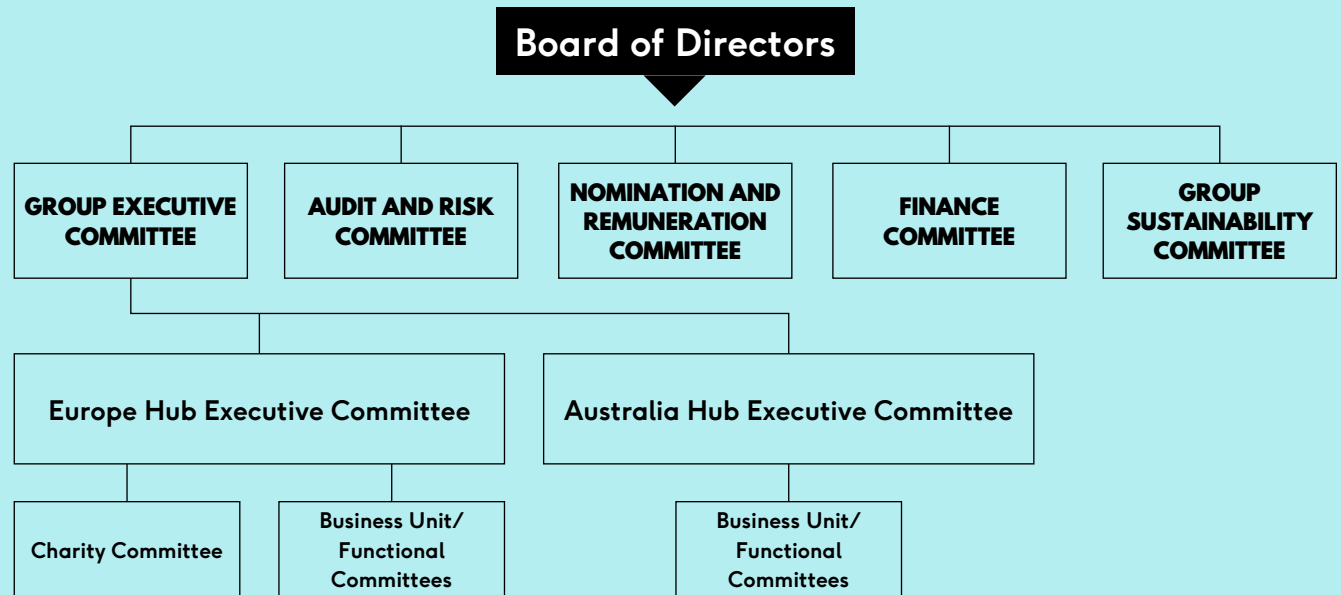
We reported against the Wates Principles for the first time in the financial year ended 31 March 2020. The continuance of this reporting assists in assessing what has been done well, and where there remains opportunity for further improvement of our corporate governance. It is also recognised that governance requirements and needs will evolve over time.

Our ambition continues to be the achievement of best-in-class corporate governance across the Group.

Group corporate governance framework

At Laing O'Rourke, we are proud of what has already been achieved. We take the view that good corporate governance is a cornerstone of the creation of a successful business and one that generates value for wider society. Our Group governance framework continues to be applied across our global business and was reviewed during FY25 in line with our annual review cycle.

Board structure



Highlights



We published a Sustainability Report in March 2025,



Operationally we created centres of excellence to bring greater clarity around responsibilities between our operational, technical, and functional teams.



We have continued to embed our operating model, Project Certainty, underpinned by data analytics tools to improve decision-making.



We published a new Diversity & Inclusion strategy in the Europe Hub and a Gender Equality Action Plan in the Australia Hub, underpinning our commitment to gender parity.



Cathal O'Rourke appointed as Group Chief Executive Officer, replacing Ray O'Rourke KBE who continues on the Board as Group Chair.

DIRECTORS AND COMMITTEES

Directors



Ray O'Rourke KBE

Group Chair

Shareholder and founding director of Laing O'Rourke, Ray agreed to take on the role of Group Chair with effect from 1 April 2025. He also chairs the Nomination and Remuneration Committee and the Finance Committee.

Ray founded R O'Rourke & Son in 1977. The business acquired the construction arm of John Laing Plc in 2001, and acquired Barclay Mowlem Australia in 2006, creating today's extended international engineering construction group.



Sir John Parker GBE FREng

Non-Executive Director (formerly Group Chair, having stepped down on 31 March 2025)

After eight years at the helm of Laing O'Rourke, Sir John stepped down as the Independent Group Chair on 31 March 2025. In addition to his role on the Board, Sir John is a member of the Nomination and Remuneration Committee and the Finance Committee.

Sir John has an enviable reputation across a range of industrial sectors as a leader in the boardroom. He also chaired the Parker Review Committee for Government on Ethnic Diversity of UK boards.



Cathal O'Rourke

Group Chief Executive Officer

Cathal was appointed Group Chief Executive Officer in July 2024, having previously served as Group Chief Operating Officer and Managing Director, Australia. He chairs the Group Executive Committee as well as both the Europe and Australia Executive Committees. Cathal is also a member of the Nomination and Remuneration Committee.

Cathal is a tireless advocate for driving positive industry change. He champions gender equality and lobbies for collaborative contracting models with a fairer allocation of risk to align the interests of all parties to best-for-project outcomes.



Paul Teasdale

Group Chief Financial Officer

Paul joined the Board in October 2024 upon his appointment as Group Chief Financial Officer. Prior to that, he served as Deputy Group Chief Financial Officer. He was previously the Finance Director for the Australian business. Paul is also a member of the Group Executive Committee.

Paul is an experienced finance executive in the construction and engineering sector having previously worked at a number of other tier one construction companies in Australia.



Rebecca Hanley

Group Director, Strategic Programmes

Rebecca joined the Board in November 2022. Prior to her current role, she served as Managing Director of the Australia Hub, and before that as Group Head of Strategy. She is also a member of the Group Executive Committee. Rebecca temporarily stepped down from the Board in June 2023 for a period of parental leave, and was re-appointed in July 2024.

Rebecca previously worked in strategy with Anglo American Plc, and in strategic and financial leadership positions with PwC and private equity-owned companies in the UK and Australia. She is a Chartered Accountant with an MBA from INSEAD in Paris.



Jim Edmondson

Group Company Secretary

Jim joined the Group in January 2018 and is a member of the Board. He is also a member of the Group Executive Committee.

Jim is a solicitor of the Supreme Court of England and Wales, and a former joint senior partner of a major London law firm with responsibilities for strategy, thought leadership, nurturing of client relationships, and business development. Jim also specialised in advising on corporate structures, succession planning, and the application of proper administration and corporate governance in the context of directorships and trusteeships.

**Mark Cutifani CBE**

Non-Executive Director

Mark was appointed to the Board as an independent Non-Executive Director in September 2022. He is an experienced global chief executive who joined the Board as Senior Independent Director. Mark chairs the Group Sustainability Committee and is a member of the Nomination and Remuneration Committee.

Mark stepped down in April 2022 as Chief Executive and an executive director of Anglo American Plc, after nine years leading the global mining giant. He is credited with leading the turnaround of Anglo American after joining as Chief Executive in 2013.

**Heather MacCallum**

Non-Executive Director

Heather joined the Board as an independent Non-Executive Director in November 2022, chairs the Audit and Risk Committee, and is a member of the Nomination and Remuneration Committee.

Heather was a partner in KPMG Channel Islands Limited's financial services practice from 2001 to 2016, predominantly providing audit and advisory services to the investment management sector. Heather is currently the Chair of Jersey Water and also serves as a Non-Executive Director on the boards of several companies.

**Dr Hayaatun Sillem CBE**

Non-Executive Director

Hayaatun was appointed to the Board as an independent Non-Executive Director in March 2022. In addition to her role on the Board, Hayaatun is a member of the Audit and Risk Committee and the Group Sustainability Committee.

Hayaatun is Chief Executive Officer of the Royal Academy of Engineering and Queen Elizabeth Prize for Engineering Foundation. She co-chairs the UK Government's Business Innovation Forum and co-chaired Sir Lewis Hamilton's Commission on improving Black representation in UK motorsport. She was made a CBE for services to international engineering in 2019.

**Charlotte Valeur**

Non-Executive Director

Charlotte was appointed to the Board as an independent Non-Executive Director in March 2018. In addition to her role on the Board, she is a member of the Audit and Risk Committee, the Nomination and Remuneration Committee, and the Group Sustainability Committee.

Charlotte has more than 30 years' experience in the financial services industry, and has held a range of executive and non-executive directorships in listed organisations.

Des O'Rourke was Group Deputy Chair. He sadly passed away on 17 July 2024. He is sorely missed by all who knew and loved him.

Former Board member

Rowan Baker resigned 27 September 2024.

Group Executive Committee



Cathal O'Rourke
GROUP CHIEF EXECUTIVE OFFICER



Paul Teasdale
GROUP CHIEF FINANCIAL OFFICER



Rebecca Hanley
GROUP DIRECTOR, STRATEGIC PROGRAMMES



John O'Connor
GROUP DIRECTOR, COMMERCIAL, CLIENTS & MARKETS (EU)



Madeleine Loughrey-Grant
GROUP DIRECTOR, LEGAL, AND SUSTAINABILITY
Resigned 11 July 2025



Peter Lyons
MANAGING DIRECTOR, EUROPE



Mark Dimmock
MANAGING DIRECTOR, AUSTRALIA



Jim Edmondson
GROUP COMPANY SECRETARY

Former Committee member
Rowan Baker resigned 27 September 2024.



Europe Hub Executive Committee



Cathal O'Rourke
GROUP CHIEF EXECUTIVE OFFICER



Peter Lyons
MANAGING DIRECTOR, EUROPE



Simon Chatwin
DIRECTOR, COMMERCIAL



Sarah Conway
DIRECTOR, OFFICE OF THE CEO,
AND GROUP CORPORATE AFFAIRS



Barry Dye
DIRECTOR, NUCLEAR



Allan Gregory
DIRECTOR, DELIVERY



Declan McGeeney
DIRECTOR, TECHNICAL, SAFETY
AND DIGITAL



John O'Connor
GROUP DIRECTOR, COMMERCIAL,
CLIENTS & MARKETS (EU)



Martin Staehr
DIRECTOR, DELIVERY



Amy Tullis
DIRECTOR, PEOPLE



Jean-Pierre de Villiers
DIRECTOR, SPECIALIST TRADING
BUSINESS GROUP



Alex Warrington
DIRECTOR, DELIVERY



Ilze Williamson
DIRECTOR, FINANCE



Ben Worthington
DIRECTOR, LEGAL

Former Committee members

Rowan Baker resigned
27 September 2024.

Madeleine Loughrey-Grant
resigned 11 July 2025.

Glenn Sheedy and Paul Teasdale
have stepped down from the
Committee but have taken up
significant roles in other parts of
the business.



Australia Hub Executive Committee



Cathal O'Rourke
GROUP CHIEF EXECUTIVE OFFICER



Mark Dimmock
MANAGING DIRECTOR, AUSTRALIA



Annabel Crookes
DIRECTOR, LEGAL AND RISK



Dr Ralf Dicke
DIRECTOR, STRATEGY,
TRANSFORMATION & INNOVATION



Helen Fraser
DIRECTOR, PEOPLE



Andrew Jeffrey
DIRECTOR, COMMERCIAL



Paul Milne
DIRECTOR, DELIVERY



Tom Mullens
DIRECTOR, TECHNICAL AND
HEALTH & SAFETY



Sarah Pearce
DIRECTOR, FINANCE



Christian Porter
DIRECTOR, CLIENTS & MARKETS

Former Committee members

Rowan Baker resigned 27 September 2024.

Sarah Crennan, Dr. Regan Crooks, Rebecca Hanley, and Paul Teasdale have stepped down from the Committee but have taken up significant roles in other parts of the business.

KEY MATTERS CONSIDERED BY THE BOARD DURING THE YEAR

Activity	Actions	Progress and outcomes
Purpose and values	Embedding purpose and values into systems and processes.	There was good progress in the year in embedding purpose and values into Laing O'Rourke's systems and processes.
Financial performance	<p>Continuous evaluation of the Group's financial performance against budget and forecast.</p> <p>Approving the Group's Annual Report and Accounts.</p> <p>Consideration of the Group's capital requirements and financing arrangements.</p>	<p>There have been frequent, detailed reports provided for each Board meeting from the Group CFO and Group Director, Commercial, Clients & Markets (EU).</p> <p>The Group's Annual Report and Accounts were approved by the Board in the year.</p> <p>There has been a programme of frequent Board and Executive Committee meetings as well as subsidiary board meetings.</p>
Sustainability	<p>Continuous action to achieve our goals:</p> <ul style="list-style-type: none"> • Reduce Scope 1 and 2 emissions by 42 per cent and Scope 3 emissions from purchased goods and services by 25 per cent by 2030; • Be a net zero company by 2050; and • Achieve 50/50 gender balance across global staff by 2033. <p>In addition, the Board has endorsed social value goals of enriching the lives of two million people in the UK and creating £2bn of social value by 2030.</p>	<p>The Board published a Group-wide Sustainability Report in March 2025 which reflects on the progress made in pushing the boundaries for clients, society, the environment, and our people.</p> <p>In October 2024, Laing O'Rourke announced its commitment to new science-based carbon reduction targets. These targets have been approved by the Science Based Targets initiative (SBTi).</p>

Activity	Actions	Progress and outcomes
Strategy	The Board remains committed to the strategy set in 2017 for Laing O'Rourke to be the recognised leader for innovation and excellence in the construction industry by 2025.	The Board renewed its commitment to achieving its Deliver 2025 strategy and underlined its priority commitments as safety, quality, diversity and inclusion, innovation, and the delivery of profit.
Leadership and people	Continued review of Board composition, skills, and diversity. Continued consideration of succession planning for senior roles.	A number of leadership and leadership structure changes have taken place in the reporting period. In June 2024, Ray O'Rourke KBE announced his decision to step away from his role as Group CEO and continue to serve the Board as a Deputy Chair. He subsequently agreed to take the role of Group Chair, from 1 April 2025 following Sir John Parker's decision to step down from the role from the end of March 2025. The Board appointed Cathal O'Rourke as the new Group CEO, with effect from 1 July 2024. As part of the transition, the Board conducted a review of its governance arrangements. In September 2024, Rowan Baker stepped down from both her role as Group CFO and from the Board, and was replaced by Group Deputy CFO Paul Teasdale. Rebecca Hanley returned from a period of parental leave to take up a position as Group Director, Strategic Programmes and member of the Board and Group Executive. In the Australia Hub, Mark Dimmock, who had been Acting Managing Director, was appointed permanently. In the Europe Hub, Peter Lyons took up the newly created role of Managing Director on 1 February 2025. In addition, during the year a number of strategic appointments were made to both Hub executive committees.
Risk management and internal controls	Further embedding of our operating model for how we deliver projects against a set of key principles and metrics, to ensure consistency across our projects. The Project Support and Integration Office (PSIO) developed various tools and approaches to ensure timely and independent data insights, to enable key stakeholders in the business to make timely, informed decisions. Ongoing work on improving and strengthening internal controls and processes across the business. A holistic stand-back review of health and safety in the Europe Hub.	The Board has continued to review the implementation of the operating model and assess its success. The Board has endorsed the work of the PSIO team to implement Project Certainty into more projects in the Europe Hub. The team has designed and implemented the Europe Hub virtual control room. In the Australia Hub, 'project metrics' have been developed. The resulting data better supports decision-making by the Board and Executive, and helps ensure project risks are identified, assessed, and resolved as early as possible. A number of internal audits were conducted across projects and functions, most notable of which was the successful audit on security in the Europe Hub to ensure we maintained ISO27001 accreditation; a pre-requisite for work with the UK Government. The Board continued its focus on ensuring the business is equipped to identify and stamp out modern slavery in the construction sector.

Activity	Actions	Progress and outcomes
'Rethinking Safety through Inclusion + Wellbeing'	Continual focus on the physical and psychological safety of people.	<p>Rethinking safety and wellbeing continues to be a key priority. It is recognised that given the incidence of suicide in the construction industry generally, there is a clear need to focus on mental health and wellbeing and to transform how our people go to work.</p> <p>Responding to health and safety challenges, the Europe Hub conducted a review of its safety governance and processes. It initiated a business-wide stand down on 13 August 2024 and launched the Safety Transformation project to implement the findings of the review.</p> <p>The Board has ensured throughout the year that the business remained focused on engineered safety, which is central to the way in which the Group goes to work.</p> <p>The Board has endorsed ongoing training to leaders, site supervisors, and site operatives to ensure safety is a priority at every level of the business.</p> <p>The Board also endorsed a new Diversity and Inclusion strategy in the Europe Hub as well as an updated anti-harassment and bullying policy underpinned by a series of anti-harassment workshops. The Australia Hub introduced its updated Gender Equality Action Plan.</p>



Rethinking safety through

INCLUSION + WELLBEING



ENGINEERED SAFETY

Engineering out risk and engineering in health at every stage of the project lifecycle.



DELIVERY EXCELLENCE

A robust implementation of our leading standards and H&S management system, underpinned by clear lines of operational accountability and competence.



HUMAN PERFORMANCE

Creating a working environment that supports people's holistic health, to sustain high performance by managing personal energy and capacity levels.

GOVERNANCE PRINCIPLES¹



Principle One – Purpose and Leadership

An effective board develops and promotes the purpose of a company, and ensures that its values, strategy, and culture align with that purpose.

The Board of Directors of Laing O'Rourke, guided by its purpose and values, regularly and consistently challenges strategy, performance, and accountability.

It recognises that its strategic success and continued growth depend on making sure that its purpose and values are embedded into its decision-making, culture, and ways of working throughout the organisation.

To this end we have mobilised Leaders' Networks in both hubs as key groups to support connection in the wider business with strategy and purpose. This group translates strategy into their leadership areas and provide feedback to the Board and Executive.

Strategy

The Board set the Deliver 2025 strategy in 2017 to address global infrastructure challenges and opportunities and has been committed to that strategy since. Its strategy has been to be the recognised leader for excellence and innovation in the construction industry.

Each year, the strategy has been reviewed and refined by the Board and the Executive while the business has continued to invest in the four key pillars: people, technologies and innovation, manufacturing, and our unique operating model. Our strategy is communicated to our people each year in a series of roadshows around our offices and projects.

The work to achieve our strategic objectives is outlined in more detail in the sections below.

Conduct and ethics

Laing O'Rourke's Global Code of Conduct sets clear expectations for behaviour and ethical standards, and it empowers our people to choose to do the right thing in any situation. Our code incorporates our shared values of care, courage, and integrity which guide decision-making and shape our culture.

As part of our ongoing work on ethical standards of behaviour, this year the Europe Hub continued with ethical site audits at selected projects and started management system audits on key suppliers to identify modern slavery. We also instigated business integrity interviews with key selected personnel on site to gauge levels of understanding and knowledge of our Code of Conduct, of the risks of modern slavery, and of our channels for whistleblowing. These interviews will identify trends and gaps in awareness and will help us shape training needs.

As part of the ongoing drive to raise awareness and understanding of modern slavery and ensure we create a safer and more ethical industry for all, Laing O'Rourke, together with a small group of other leading contractors and the anti-modern slavery charity Unseen UK, in partnership with DUNA Films, produced a short video called 'Beyond the Shadows' which follows Alex, a worker trapped in exploitation, to reveal how labour abuse can thrive unnoticed on worksites. The video has been used as part of our refreshed e-Learning module for staff and our 'toolbox talks' for our site-based workforce to help our people recognise and report exploitation. The video won a silver award at the Smiley Charity Film Awards in October 2024.

Within the Australia Hub, a modern slavery e-Learning module was also developed and rolled out to our people which is included as part of our onboarding process for all new employees to raise awareness from the outset. Further, a modern slavery awareness campaign was conducted during 2024 which included a video available via our online Health, Safety & Environment management system (which is accessible to our clients, supply chain, and partners) which also formed part of our project site inductions, and a modern slavery poster campaign across all project and office locations.

Following employee feedback and an internal audit, it was evident across the Group that the Business Expenses and Allowance policy needed to be reviewed. As a result, in FY25 a review was conducted of the policy and its application, alongside our Gifts and Hospitality policy, and Mobility and Daily Travel Allowance policy and updates were implemented.

In continued preparation for the UK Government's introduction of a new fraud offence and to maintain a high level of best practice, our Compliance teams across both the Australia and Europe Hubs completed a full risk assessment of our framework and controls to ensure the business is doing enough to detect and prevent fraud. Further, following on from due diligence enhancements undertaken last year, we have now embedded mandatory due diligence checks into our digitised gateways as part of our bids process. This ensures that when decisions are made by our Executive team in respect of bids, that they have assurance that all due diligence has been completed and an appropriate and accurate risk assessment has been made.

1. We apply the Wates Corporate Governance Principles for Large Companies, as published in December 2018.



Principle Two – Board Composition

Effective board composition requires an effective chair and a balance of skills, backgrounds, experience, and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.

At the end of the financial year, Sir John Parker stepped down from his role as Chair of the Board. Our founder and former Group CEO Ray O'Rourke KBE has taken up the role of Chair.

The Chair of the Board is responsible for leading and managing the effectiveness and governance of the Laing O'Rourke Board. The Chair ensures that Laing O'Rourke Board members are aware of and understand the views of key stakeholders and helps set the tone from the top in terms of culture, purpose, and values.

The Laing O'Rourke Board recognises the importance of diversity in promoting the long-term success of the business and is committed to ensuring the Board is balanced and diverse, and that it contains people with the right mix of skills, knowledge, and experience. It is also committed to nurturing a culture of equal opportunity where everyone can perform at their best.

For the second year, Laing O'Rourke has reported on the ethnic diversity of its Board following the Parker Review. It also published its annual gender pay gap report and its ethnicity pay gap report.

The Laing O'Rourke Board believes its size and composition is appropriate to meet the strategic needs and challenges of the business.

The Board continuously works on improving its effectiveness. In particular, the Board:

- Has five independent, non-executive directors whose purpose is to challenge and provide external expertise;
- Is provided with twice-yearly formal training on directors' duties and areas of focus for the business, as well as opportunities to visit projects and offices, and to meet our people and our delivery partners;
- Is supported by the work of its committees, which provide information and make recommendations for action;
- Is provided with Board papers and information in an accessible format ahead of meetings to enable effective preparation and to support informed discussion and decision-making; and
- Continues with its Executive Development programme, supported by a global leadership consultancy designed to identify and address leadership development goals.

The Board continues to review membership and skillsets of the Board committees to ensure they remain fit for purpose as the business evolves. The Group CEO performs a similar role for the Europe and Australia Hub Executive Committees (EEC and AEC) which report into the Group Executive Committee (GEC). The role of the Board committees and EEC and AEC are explained in more detail on the following page. Members of the GEC, EEC, and AEC are profiled on pages 42 to 44.



Group Executive Committee

The Board delegates the day-to-day operation of the Group to the Group Executive Committee, chaired by the Group CEO. The role of the Committee is to recommend the Group strategy to the Board, allocate capital, and monitor execution to maximise shareholder returns.

Hub Executive Committees

Both the Europe and Australia Hub Executive Committees are chaired by the Group CEO. The purpose of the committees is to execute strategy and maximise cash flows from operations.

Audit and Risk Committee

This Committee is chaired by independent Non-Executive Director Heather MacCallum.

The purpose of the Committee is to monitor the integrity of the Group’s financial statements, to oversee the relationship with external auditors, including a review of independence and fees, to assess and direct the Group’s approach to risk management, and to receive updates on our ethics and compliance programme.

In FY25, the Committee met three times to review draft financial statements and the information supplied by management on significant accounting judgments, as well as reviewing the going concern statement.

Nomination and Remuneration Committee

This Committee is chaired by the Group Chair. The purpose of the Committee is to make recommendations to the Board, where required, on appointments to the Board and on the Group’s remuneration structure, and to align remuneration to the long-term sustainable success of the Group.

Finance Committee

The Finance Committee is chaired by the Group Chair and is charged by the Board with overseeing and approving significant new financing arrangements. There were no circumstances that arose in FY25 that required a meeting of this Committee.

Sustainability Committee

This Committee is chaired by independent Non-Executive Director Mark Cutifani CBE.

It is charged by the Board with overseeing the environmental impact and sustainability of operations and monitoring of progress against our targets. The Committee also encompasses inclusion and wellbeing.

Key sustainability achievements in FY25:

Data and Disclosures

- We published our Sustainability Report in March 2025 (for FY24);
- Our science-based carbon reduction targets were approved by the SBTi;
- Our low carbon concrete mandate delivered tangible year one savings in the UK and was launched in Australia;
- The Group became a Taskforce on Nature-related Financial Disclosures (TNFD) adopter; and
- Our Australia Hub achieved the highest score awarded by the Infrastructure Sustainability Council in Victoria on the Union Road and Mont Albert Road Level Crossing Removal Project.

Diversity and Inclusion, and Social Value

- In December 2024 the Europe Hub launched its new volunteering platform giving our people an opportunity to volunteer in local communities;
- By December 2024 the Europe Hub was halfway to our target of achieving £2bn of social value by 2030 (well ahead of schedule);
- Most projects in the Europe Hub now have social value KPIs to enable Laing O’Rourke and our clients to deliver better outcomes for society through our projects; and
- Our Australia Hub continues to see considerable success with its Stretch Reconciliation Action Plan to work with clients, communities, and each other to increase participation with First Nations Peoples and communities.

Health & Safety

- We have appointed a new Head of Health & Safety in Europe, Eamonn Dolan. Our health and safety programme ‘Rethinking Safety Through Inclusion + Wellbeing’ is ongoing with a continued focus on Engineered Safety, Delivery Excellence and Human Performance.



Principle Three – Director Responsibilities

The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision making and independent challenge.

The Laing O'Rourke Board and individual directors have a clear understanding of their accountability and responsibilities, as well as policies and procedures to support effective decision-making and independent challenge.

The Board has five independent, non-executive directors whose purpose is to bring independent challenge to the decision-making of the Board.

Each Board member understands their statutory and ethical duties, including in respect of potential conflicts of interest, which could compromise objective decision-making.

The Laing O'Rourke Board receives regular and up-to-date information on performance of the business and progress against strategy.

The committees that support the Board ensure the necessary systems, people, and processes are in place to gather and report data that is current and accurate. The Board is of the opinion that the Company's key reporting business functions are appropriately staffed, trained, and qualified to ensure the integrity of information.

In respect of financial information being provided to the Laing O'Rourke Board, this is collated from Laing O'Rourke's accounting systems by its Group Finance function. Financial information and financial controls are regularly reviewed internally, and any improvement actions are taken with oversight by the Audit and Risk Committee.

Papers and reports to the Board are circulated to Board members using a secure, cloud-based software database that enables papers to be accessed securely in any location on any company-issued device.

At a subsidiary level, appointments to the boards of operating subsidiary companies are reviewed and aligned with membership of the Group and Hub Executive Committees, and the delivery and business function leadership structure.

There was a review of all directorships across the Group in the year to ensure they remain appropriate and aligned with the executive leadership within the Group and at hub level.

The terms of reference and responsibilities of the Board together with its key officers, committees, and subsidiary boards are contained in the Group Governance Framework. The framework provides clear lines of accountability and responsibility for the Board, Executive, and committee members.

Each year we conduct a review of our Group Governance Framework and the corporate matrix of delegated authorities. This year in particular we conducted a root and branch review of corporate governance in relation to health and safety resulting in updated terms of reference at each level within the Group and a mapping of key accountabilities of Board, senior executive, and management teams to ensure that health and safety leadership is embedded at every level of the business.

In addition, we continue to review our conflicts policy and improve and refine our project delegation of authority framework by setting out clearly the cascade of authorisations required for key project-related decisions. In the year, the Group went live with its digitalised project gateways, starting from the bid process through to contract signature, and then throughout the delivery phase which has made the project gateway process more efficient. It also provides more assurance around the information provided at each gateway stage by removing the risk of human error because data is automatically pulled through from one gateway to the next without manual inputs. The business continues to focus on achieving delivery consistency

which includes embedding consistent processes across all its projects.

The next stage already underway is enhancing our contract review gateway during the project delivery phase to provide more impactful data that brings risks to the forefront and enables effective decision-making and ensures we are delivering to the plan.

Further, during the year the business strengthened its delivery performance management system through the implemented 'project metrics' in the Australia Hub and the 'virtual control room' in the Europe Hub, providing data-driven insights to enhance executive decision making across its portfolio of construction projects. This cross-functional platform has identified and facilitated targeted deep-dive reviews in a number of functional and project areas.

The Board and Executive continue to focus on the health, safety, and wellbeing of its people ensuring that there are clear accountabilities at every level to support good outcomes for all. This year a new assurance and incident management system called Intalex has been rolled out which uses data to provide insights into health, safety, and wellbeing, to support Board and Executive decision-making and to enhance certainty and resilience in the business.



Principle Four – Opportunity and Risk

A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and establishing oversight for the identification and mitigation of risks.

The Laing O'Rourke Board seeks out opportunities for value creation and long-term business success. The Board also has overall responsibility for risk management. The Board reviews and approves strategy and, as part of this exercise, considers threats and opportunities, including risk appetite, following an annual planning dialogue and regular strategy check-ins throughout the year. Further information on the strategy-setting process is provided under Principle One.

Opportunities

In respect of opportunities and long-term value creation, the Executive meets regularly to review the opportunities pipeline, ensuring any opportunities followed up are aligned to the Group's purpose, values, and strategy.

The Executive escalates opportunities as appropriate to the Board, to ensure oversight and receive direction.

In assessing and acting on opportunities, the Board and Executive ensure they are leveraging the Group's vertically integrated model, its technology and innovation expertise, and modern methods of construction.

This included the decision made during FY25 to commence manufacturing of reinforced products at its advanced reinforcement manufacturing facility in Avonmouth to support its nuclear work and also the roll out of HVO trials and the manufacture of Megaplanks.

HVO TRIALS

As part of our work in achieving our net zero goals, Laing O'Rourke is championing hydrotreated vegetable oil (HVO) 100 per cent trials ('HVO100').

HVO100, derived from vegetable oils such as rapeseed or waste-based feedstock used as cooking oil, can significantly reduce greenhouse gas emissions compared to diesel derived from fossil fuels.

The METRONET Byford Rail Extension project was the first project in Western Australia to trial the use of renewable diesel. The renewable diesel is powering four on-site pieces of equipment with HVO100 hydrotreated vegetable oil. The trial is being run in partnership with METRONET, the Department of Transport, and Curtin University who will undertake studies to understand implications for fuel efficiency, emission reduction, and impacts to engines.

In New South Wales, the St Marys Station footbridge project team worked with subcontractor AnewX to trial using HVO100 on their plant and equipment. To date, positive outcomes have been reported with consistent engine performance and seamless transitions between fuel types.

In the Europe Hub, in May 2025 Laing O'Rourke's manufacturing facility at Explore was appointed by Multiplex to supply approximately 68,000m² of our innovative Megaplank product for the prestigious Fifty Fenchurch Street project in London. Early engagement through a pre-construction services agreement allowed us to collaborate closely with the project team and optimise the benefits of this product.

Megaplank provides a lean concrete floor plank which, coupled with Laing O'Rourke's low carbon concrete, provides a low carbon floor solution, making it an environmentally friendly choice for the project. This aligns perfectly with the project's sustainability goals and commitment to reducing environmental impact.

The composite design of Megaplank with steel beams creates opportunities to reduce steel section sizes, contributing to a more efficient use of materials and decreasing the overall weight of the structure.

The design has been developed to optimise the use of Explore Manufacturing's automated high speed carousel production line, facilitating efficient manufacturing processes and supporting programme certainty.

Risks

The Board is responsible for setting and reviewing Laing O'Rourke's risk appetite.

The Group has a controlled risk appetite that is aligned to achieving its strategic objectives. It aims to ensure the Group is not unduly exposed to any event, or combination of events, that could cause a variance in risk appetite.

The identification and assessment of risks, and any mitigation measures, lie with the Executive and senior managers in each business unit and function. The Audit and Risk Committee is responsible for oversight of risks, both current and emerging, and escalation to Board level. The Audit and Risk Committee, chaired by independent Non-Executive Director Heather MacCallum, met three times in FY25.

PROJECT GOVERNANCE

We have continued to strengthen governance in our project gateway process from earliest bid opportunity through sign off of the main contract and to delivery, completion, and post-completion. This has entailed taking feedback from around the business, learning lessons and making continual changes to streamline and strengthen the project governance process at every stage of the project lifecycle.

This underpins our holistic approach to managing risk and opportunity in our projects and ensures we can deliver according to our operating model.

Internal risk and assurance

During FY25, the Europe Hub began recruitment for a dedicated Risk and Assurance team. This team will be aligned to the established, best-practice Australia Hub model. It will leverage the expertise of our people by staffing project audits with peers from the same field of expertise. The team will also use third-party experts when required in more technical areas such as cyber security.

In this way, we are able to ensure a laser focus on projects, in particular by engaging the construction expertise of peers to conduct reviews on projects and key internal controls.

This expertise introduced via peer review brings greater efficiency in the audit process, improves credibility of the findings, and gives recommendations for action.

The model is also underpinned by a second line of defence which allows for oversight by our compliance and risk management specialists across finance, security, compliance, and quality.

A third line of defence is in place whereby functions engage external assurance by subject matter experts where appropriate, for example, for cyber security risk.

Externally, the Group also takes the learnings from its external assurance providers and regulators in areas such as health and safety.

The focus on project assurance is supported by a programme of data enablement that allows the Board, Executives, and leaders to review project data and key metrics in real-time. This gives them the ability to identify and analyse emerging risks and key trends as they appear.

A digital reporting programme continues in our Australia Hub for key internal controls relating to business ethics, to enable more regular auditing and reviews, specifically relating to employee expenses, travel, gifts and hospitality, and vendor management.

We believe this consistent model of risk management will ensure our key stakeholders have the assurance they need. It will mean principal future threats to the Group in achievement of its goals are identified and understood and will allow for the implementation of mitigation plans with clear accountability.



Strengthening internal controls

The Australia Hub has increased efforts in reviewing internal controls, specifically those that are high risk areas such as fraud and corruption. We targeted reviews against policies such as employee expenses, travel, and gifts and hospitality, as there are interdependencies relating to all three. As a result of this, the Risk and Assurance function identified areas of improvement within the supporting processes of these policies to tighten controls, while not making these onerous for our people. This included ensuring approvals were in line with the Delegations of Authority by further digitisation, meal expenditure was within the required limits, and employee expenses were all for business-related purposes. The function was also able to assist our centralised travel desk with highlighting travel patterns to our Executive where savings could be made with improved planning. With these improvements identified, we updated those policies to provide absolute clarity in what we expect of our people and communicated these changes to the business.



Principle Five – Remuneration

A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.

The Nomination and Remuneration Committee, chaired by Group Chair Ray O'Rourke KBE, is responsible for the structure, appointments, removals, succession, performance, and compensation of the Laing O'Rourke Corporation Board and the Laing O'Rourke Executive committees. Total directors' remuneration is disclosed in note 7 of the financial statements.

Directors and Executive Committee members who sit on subsidiary boards are remunerated at Group level and are not remunerated for their subsidiary board positions. Remuneration of these directors is reviewed and set by the Group CEO or Australia Hub Managing Director on behalf of their employing subsidiary, considering any relevant input from the Nomination and Remuneration Committee.

The remuneration of employees below Executive level is overseen by the Executive Committee of each of the hubs and the Group CEO. Salaries of all Group employees are aligned to the performance of the business and market conditions, with bonuses as well as long-term incentives for senior Executives driven by a combination of personal and business performance.

Achieving gender parity in our organisation is a key target.

In FY25, the Board published the UK Gender Pay Gap Report for 2024 and has shown an improved picture with women's mean hourly rate 5.3 per cent lower than men's (compared to 7.7 per cent for 2023) and median hourly rate 4.8 per cent lower than men's (compared to 6.2 per cent in 2023). While the sector is still dominated by men, the number of women across all of our organisation continues to grow, with females making up 25 per cent of staff in the UK.

The Australia Hub published in March 2025 its latest Australian Gender Pay Gap analysis for 2024 showing at the time of reporting (31 March 2024) the gender pay gap was 23 per cent, (average total remuneration gap) which is 3.1 per cent lower than the Australian construction industry comparison group average of 26.1 per cent and a reduction from our previous year's gender pay gap of 24.2 per cent. Laing O'Rourke Australia employed 2,863 people at the time of reporting, with women

representing 31 per cent overall (which has since risen to 34 per cent), which compares to 13.6 per cent across the construction industry.

The pay gap has reduced year on year, and the Board continues to take active measures to address and reduce this gap. Laing O'Rourke is confident that its recruitment procedures, pay governance, and review processes ensure compliance with equal pay legislation.





Principle Six – Stakeholder Relationships and Engagement

Directors should foster effective stakeholder relationships aligned to the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.

The Group has a number of key stakeholders, including clients, employees, suppliers, local communities, and regulators. Laing O'Rourke is acutely aware of the wider impact the business has on its stakeholders and on the broader environment.

The Board is committed to ensuring a workplace that is safe and where people feel they can be themselves, be valued, and know they are respected. Related to this, the Board is committed to supporting greater diversity in all its forms.

The Board is also committed to improving the environmental and social impact of what we do. To demonstrate that commitment, we have set challenging targets around sustainability and social value.

Stakeholder group	How we engage	How this stakeholder group influenced Board and/or committee discussions and decisions
Our clients	<p>Early engagement with clients is key to our understanding of client expectations, challenges, and priorities.</p> <p>This also provides us with an opportunity to showcase innovations we can bring to the table that have real and tangible business value.</p> <p>Our aim is to show clients that we can deliver certainty of cost, programme, and quality.</p> <p>We continue our dialogue with clients throughout the delivery phase and beyond, into the operational phase of a building or structure. We seek continuous feedback from clients informally and formally. This forms part of the key metrics of success for our projects.</p> <p>We also engaged independent researchers to conduct interviews with clients.</p>	<p>Last year, we embedded our new client relationship management system. The system is now delivering real value to us and to our clients, and it has supported the Board and Executive in nurturing key client relationships. It has enabled the business to develop a more partner-led approach to its client relationships, which is key to better outcomes for our clients and for the business.</p> <p>Throughout the year we conduct surveys with our clients as part of client engagement so that we can identify areas of best practice and areas of opportunity. These results are reported at Executive and Board level and help inform strategic decision-making.</p>
Our people	<p>The Board aims to ensure there is a meaningful, two-way dialogue with employees. It keeps employees up to date on strategy and performance through a variety of channels. These include formal leadership events, employee briefings and roadshows, team and town hall meetings, internal communications on the Group intranet, and via digital employee communication tools such as Viva Engage.</p> <p>Each hub has a Diversity and Inclusion Council ('D&I Council') which oversees several employee networks. The employee networks' views, findings, and proposals are escalated to the D&I Council for consideration and, as appropriate, to the respective Hub Executive Committee for decision-making.</p> <p>The D&I Councils meet on a bi-monthly basis and ensure accountability is clear and that connectivity with staff and the workforce is real and effective.</p>	<p>As a result, this year we have undertaken a refresh of many of our policies and procedures. We have worked to support our directors and Executive to face into and understand employee issues such as workplace harassment and bullying, and to take meaningful and tangible steps to address these issues. The Board is committed to ensuring that our people feel safe, valued, and respected.</p> <p>As always, the Board remains focused on health and safety. This remains foremost in all operational decisions made regarding access to project sites and offices.</p> <p>In FY25, the focus on safety has included the continued roll out of training at various levels within the business – at leadership level, at site supervisor level, and tool-box training for all site personnel including subcontractors and suppliers.</p> <p>During the year the Europe Hub held anti-harassment workshops which were conducted at projects and attended by Executive and senior leadership, while the Australia Hub ensured our leadership, particularly on our projects, are aware of raising concerns immediately to ensure appropriate action can be taken.</p>

Gender	
<p>In Australia, Laing O’Rourke was again awarded the prestigious Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality Citation (EOGEC) for the third consecutive period, making us one of only 115 Australian companies across all industries nationally.</p> <p>The WGEA EOGEC citation provides a proven framework with nine key focus areas to guide and stretch businesses in addressing the various issues required for policy, leadership, and cultural change.</p>	
Skills	
<p>In December 2024, Laing O’Rourke, in collaboration with Barnsley College and T3 Training & Development, opened the UK’s first dedicated modern methods of construction (MMC) training facility. The first-of-its-kind training centre represents a groundbreaking step in addressing the UK’s construction skills shortage and modernising the industry.</p> <p>The new training facility will develop digital and technical skills among our directly employed workforce, increasing our ability to deploy a manufacturing-led approach to construction and deliver certainty for our clients.</p>	
Stakeholder group	How we engage
Our suppliers	<p>Our aim is to strengthen and deepen the engagement we have with our supply chain. This improves outcomes on site, ensures we can comply with our legal, regulatory, and ethical obligations, and enables us to address sustainability challenges.</p> <p>In particular, a lot of work has been undertaken this year to implement compliance changes around the requirements of the Building Safety Act 2022 in the UK. This requires Laing O’Rourke to work closely with our supply chain to provide assurance on the necessary competency requirements. They include:</p> <ul style="list-style-type: none">• Securing the golden thread of information;• Providing clarity on duty holder obligations;• Meeting timescales for building control sign-off gateways; and• Overseeing product regulation. <p>In the Europe Hub, a considerable amount of cross-functional work has taken place to streamline our supply contracts and subcontracts to ensure they fully align with main contracts and are simpler and fairer.</p> <p>The Europe Hub is also digitally transforming in this area, enabling large portions of our subcontracts and supply agreements to be automated, improving the efficiency of getting into contract in the first place, and reducing risk. This initiative will align to the Australia Hub’s current practices.</p> <p>In Australia we continued with our Key Supplier program which ensures we maintain formal, managed relationships with our most critical suppliers. To reinforce this further, we also issued our quarterly ‘Connect’ newsletter which outlines project wins, sustainability initiatives, and feedback from our projects and supply chain. In addition, four supplier forums were held throughout the year in Sydney, Melbourne, Perth, and Brisbane and gave suppliers the opportunity to meet our executive team including Managing Director Mark Dimmock and Director, Commercial Andrew Jeffrey, as well as understand our forward pipeline of work and broader business objectives.</p> <p>The Australia Hub has seen significant take-up on the use of our vendor management portal, Felix, in the last 12 months. This portal manages vendor information as well as ‘source to contract’. This has seen significant improvements in compliant tender returns, reduced administrative workload for both the supply chain and our people, as well as providing better visibility of our suppliers to inform better procurement decisions.</p>
How this stakeholder group influenced Board and/or committee discussions and decisions	
<p>The Board recognises that its supply chain partners are integral to its ability to deliver world-class projects for our clients. It also understands that our partners are critical in helping the Group to achieve its 2025 strategy to become the recognised leader for innovation and excellence, and to achieve our sustainability targets.</p> <p>Updates on significant activities and developments within the supply chain are provided to the Board and Executive. They are taken into account when setting and approving annual budgets and performance targets and when making long-term strategic decisions.</p> <p>During the year the Europe Hub held two successful supply chain breakfast events as a follow up to our annual supply chain summit in September 2024. The goals of the events were to introduce the new Europe Hub Managing Director, Peter Lyons, and our new Europe Hub Procurement Leader, Adam Crompton, to our supply chain partners and to provide a general opportunity for networking. They were also an opportunity to share updates on strategic areas of focus, to provide a Q&A platform, and facilitate a broader discussion on our health and safety performance.</p> <p>In the year our UK business completed a number of initiatives including work on the ‘Back-to-Back’ Day One Strategy which was approved by the Board and rolled out to bids from September 2024. The ‘Balanced Scorecard’ was also implemented across all projects to assess the quality of tender submissions, and due diligence of the supply chain was integrated into the Procurement function. In addition, a ‘Subcontract Green Principles’ handbook was distributed around the business in February 2025 with the purpose of improving the subcontracting process, and making it quicker, clearer, fairer, and more consistent. We are now looking at moving the subcontracting process into an AI-powered contract review software tool.</p> <p>We remain a committed signatory to the UK’s Prompt Payment Code and Australian Payment Times Scheme reporting with supplier payment practices regularly reviewed.</p>	



SOCIAL VALUE – CASE STUDIES IN THE UK AND AUSTRALIA

Our UK business is committed to achieving £2bn of social value and enriching the lives of two million people by 2030, with our Australian business also set to achieve AUD\$800m of social value by 2030. We are comfortably on track to achieve these goals.

In the UK, when Everton Football Club commissioned its new stadium at Bramley-Moore Dock – an area of Liverpool steeped in industrial and dockland heritage – a social value plan was developed by Laing O’Rourke in consultation with Liverpool City Council and Everton Football Club that focused on delivering value to the local community.

The plan took a whole community view, focusing on creating local employment opportunities, but also supporting a local food bank and ensuring local industrial heritage was restored.

In Australia, Laing O’Rourke has continued its support of its partner CareerSeekers, a certified not-for-profit social enterprise that works to find paid internship and employment opportunities for professionals and university students of refugee and asylum seeker backgrounds. In FY25 we successfully placed eight interns into programmes across our operations and enabled ongoing employment for three mid-career professionals.

Stakeholder group	How we engage	How this stakeholder group influenced Board and/or committee discussions and decisions
Our financiers	<p>The Group operates strict controls over working capital and cash management, engaging proactively on these controls with its financiers.</p> <p>A regular and transparent reporting dialogue is maintained with lenders, including regular update calls and touch points, visits to our project and manufacturing sites, strategy briefings, general business updates, and reporting against agreed financial performance metrics.</p>	<p>All of our financiers have direct access to the Group CFO, who is a member of the Board and Group Executive Committee and also attends meetings of the Hub Executive Committees.</p> <p>This ensures that the Directors and Executive are kept informed of developments with our financiers and that their views are taken into account when making relevant operational and strategic decisions.</p>
Our community	<p>At a project level, we engage with a wide range of local stakeholders to keep them informed of our initiatives and progress on projects. Our goal is for our projects to deliver significant economic and social value to local communities.</p> <p>We utilise a wide range of communication channels, including social media, to maximise the effectiveness of how we engage with the local community across our projects.</p>	<p>The Board continues to ensure that the Responsible Decision-Making Framework is embedded across the Europe Hub and the Australia Hub. This is our ethical framework underpinned by universal principles of sustainability that helps our Board, Executive Committees, and our people consider our values and other external factors when making complex decisions.</p> <p>In FY25, Laing O’Rourke delivered £305m of social value in the UK and AUD\$113m in Australia. Further details of our social value work, the targets we have set for our business, and our progress against those targets are set out in our sustainability reports.</p>





Stakeholder group

Government and regulatory bodies

How we engage

In the UK, through the trade bodies Construction Leadership Council (CLC) and Build UK, we are party to regular dialogue with officials at the Department for Business & Trade and the Department for Energy Security & Net Zero.

We also have regular dialogue with the UK Cabinet Office.

Recent dialogue focused on economic conditions, including the impacts of unprecedented inflationary pressures on the sector, and the persistent challenge of skills and labour shortages.

We also maintained dialogue with central UK Government departments responsible for delivery of specific infrastructure projects, including the Department of Health & Social Care for hospitals, the Ministry of Justice for prisons, and the Ministry of Defence regarding the modernisation of the UK defence estate.

We are committed to developing and maintaining open and effective working relationships with regulatory bodies relevant to our business, to ensure there is an understanding of Laing O'Rourke's operating model and infrastructure delivery capabilities in the UK market.

Where appropriate, these relationships are managed by senior leaders in our Executive team.

In Australia, Laing O'Rourke has continued to drive industry engagement and thought leadership with key government clients and procurement agencies, through our involvement in the Australian Constructors Association, the Construction Industry Leadership Forum, and the New South Wales Skills Board.

We have ongoing dialogue with governments at both State and Federal level, ensuring the Executive Committee is aware of government policies.

Our engagement is geared towards influencing policy practice, particularly in terms of procurement methods and raising awareness of Laing O'Rourke's capabilities within the Australian market.

With a large pipeline of major projects at the State Government level, understanding of the political environment in each State is critical to our ability to differentiate our unique offering and value proposition.

How this stakeholder group influenced Board and/or committee discussions and decisions

Our regular dialogue with government, devolved authorities, and regulatory bodies ensures the Board and our Executive Committees are briefed on the potential impact of significant developments on government policy, procurement routes, and changes to laws and regulations.



REPORT OF THE AUDIT AND RISK COMMITTEE



Key activities from FY25

- Regular updates from management of the Europe and Australia Hubs, and representatives from our external auditors, as to the progress of the FY24 statutory audit and planning for the FY25 statutory audit;
- Regular updates on progress on improvements to internal controls in both hubs;
- Review and challenge of management's judgements on significant accounting issues including key contract judgements;
- Oversight of the start of recruitment of dedicated Europe Hub Risk and Assurance team;
- Ongoing monitoring of guidance from UK and Australia governments relating to additional financial reporting regulations; and
- Regular updates on adherence to compliance policies and processes.

Priorities for FY26

Priorities remain ongoing from FY25, with focus on:

- Ensuring alignment of risk and assurance processes across both hubs;
- Finalising the recruitment of a dedicated Risk and Assurance team in the Europe Hub, aligned to the existing Australia Hub model;
- Continuing to review and challenge management's judgements on significant accounting issues including key contract judgements;
- Continuing to enhance our AI-based predictive analytic risk reporting;
- Demonstrating an improvement in our risk maturity; and
- Continuing to improve our internal control environment, including embedding global internal audit standards.

FY25 represented my second full year as Chair of the Audit and Risk Committee. I am pleased to report that progress continues to be made across both hubs to ensure we have appropriate and proportional internal controls and processes in place.

The Committee held three meetings during the year. Aside from Committee members, meetings were regularly attended by the Group Chair, Group Chief Executive Officer, Group Company Secretary, Group Chief Financial Officer (and Finance team leadership from both hubs, when required), Group Director, Legal, and Sustainability, and representatives from our external auditors.

The Committee received regular updates by management and our external auditors as to the progress of the FY24 audit, and planning for the FY25 audit, particularly in relation to projects under construction. For certain projects under construction, key contract judgements can materially influence the financial

position of the contract. The Committee was updated as to management's judgements on significant accounting issues, including key contract judgements, together with our external auditors' views of these.

During FY25, the Europe Hub began recruitment for a dedicated Risk and Assurance team. This team will be aligned to the established, best-practice Australia Hub model. It will leverage the expertise of our people by staffing project audits with peers from the same field of expertise. The team will also use third-party experts when required in more technical areas such as cyber security.

The Europe Hub continued to progress internal control improvements during the year at both a functional and project level. Areas of focus included staff expenses, gifts and hospitality, and staff lodging and mobility allowances.

The Australia Hub Risk and Assurance team split their focus between project and functional audits, with particular focus on travel, procurement, and accounts payable. The team continued to work independently of management and identify areas for improvement, working with stakeholders across the Hub to ensure these were actioned in a timely manner. Throughout FY25, the function increased the use of AI-based analytics and data-led reporting by releasing delivery risk trend analysis and internal control dashboards to further enhance risk management.

The Group also achieved ISO27001 compliance, demonstrating a robust information security management system across our hubs.

We are looking forward to further improvements in our risk management and internal control environment in FY26.

Heather MacCallum

Chair of the Audit and Risk Committee

DIRECTORS, OFFICERS, AND ADVISORS

Directors

R G O'Rourke KBE (appointed Group Chair on 1 April 2025)
 Sir J Parker GBE FREng (Non-Executive Director, formerly Group Chair, having stepped down on 31 March 2025)
 C H O'Rourke (Group CEO)
 P A Teasdale (Group CFO appointed 18 September 2024)
 R Hanley (reappointed 17 July 2024)
 J F Edmondson
 M Cutifani CBE
 H J MacCallum
 Dr H Sillem CBE
 K C Valeur
 H D O'Rourke (deceased 17 July 2024)
 R C Baker (resigned 27 September 2024)

Company secretary J F Edmondson

Company number 130524

Registered office Level 4, International Finance Centre 1
 St Helier
 Jersey JE2 3BX

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 Admirals Park
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 United Kingdom

Independent auditors

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 1 Embankment Place
 London WC2N 6RH
 United Kingdom

Bankers

HSBC UK Bank Plc
 7th Floor Thames Tower
 Reading RG1 1LX
 United Kingdom

National Australia Bank
 395 Bourke Street
 Melbourne VIC 3000
 Australia

Emirates NBD Bank P.J.S.C.
 Head Office, Baniyas Road
 Deira, PO Box 777
 Dubai, UAE

Insurance advisors

Marsh Limited
 Tower Place
 London EC3R 5BU
 United Kingdom

Insurers

QBE Europe SA/NV Ltd
 30 Fenchurch Street
 London EC3M 3BD
 United Kingdom

CONSOLIDATED MANAGEMENT REPORT

The Board presents its annual management report together with the audited consolidated financial statements of the Laing O'Rourke Corporation Limited Group (the 'Group') for the year ended 31 March 2025.

Principal activities

The Group's principal activities are:

Construction

- Programme management;
- Construction and building;
- Civil engineering; and
- Infrastructure and support services.

Manufacturing

- Building products; and
- Manufacturing construction products.

Plant hire

- Plant hire and operations.

Services

- Design services; and
- Building operations management.

A list of principal subsidiaries, joint arrangements, and associates can be found in note 37 to the financial statements.

A review of the Group's activities and performance for the year is presented on pages 13 to 59.

Changes in Group structure

During the year, the Group completed those dissolutions and disposals as described on page 95 in note 13 to the financial statements.

General information

The Company is directly owned by R G O'Rourke KBE (64.2 per cent) and the late H D O'Rourke (35.8 per cent).

Branches outside Jersey

The Laing O'Rourke Corporation Limited Group operates through branches in the United Arab Emirates and Hong Kong.

Review of developments, position, and performance

Details of future developments are presented on pages 13 to 59.

Research and development

The Group expenditure on research and development of £77.5m (FY24: £58.0m) supports the development of construction techniques to deliver quality, certainty, and value for our customers.

Results and dividends

The results for the year are set out in the consolidated income statement and show a profit for the year after tax of £29.5m (FY24: £7.6m).

The Company paid no dividends during the year (FY24: £nil). The directors do not recommend the payment of a final dividend (FY24: £nil).

Post balance sheet events

On 30 June 2025, the Group signed a purchase agreement for the purchase of the trade and assets of the plant hire business of Explore Transport Limited, with completion expected on 31 July 2025. On completion, the Group will also sign a sale agreement for its equity interest in Explore Transport Limited.

Directors and their interests

Those directors who served during the year and up to the date of signing are set out on page 60 with their appointment/resignation date if after 1 April 2024. R G O'Rourke KBE and the late H D O'Rourke are shareholders who own all of the shares of the Company. No other directors have an interest in the share capital of the Company. Details of related party transactions can be found in note 33 to the financial statements.

Health, safety, and welfare

The Group is committed to ensuring the health, safety, and welfare of all employees at work. All reasonable measures have been taken to achieve this policy. Arrangements have been made to protect other persons against risk to health and safety arising from the activities of the Group's employees when at work.

Employment policy

The Group continues to provide employees with relevant information and to seek their views on matters of common concern through their representatives and through line managers. Priority is given to ensuring that employees are aware of significant matters affecting the Group's trading position and of any significant organisational changes.

The Group treats each application for employment, training, and promotion on merit. Full and fair consideration is given to both disabled and non-disabled applicants and employees. If existing employees become disabled, every effort is made to find them appropriate work, and training is provided if necessary.

Principal risks and uncertainties

Details of the Group's policies and procedures for managing risk are set out on pages 31 to 38.

Key judgements and areas of significant estimation uncertainty are detailed in note 2.27 to the financial statements.

Financial risks are detailed in note 29 to the financial statements.

Use of financial instruments by the Group

Details of the Group's financial instruments are set out in note 29 to the financial statements.

Share capital

Details of the Company's share capital are set out in note 26 to the financial statements.

Going concern

The directors applied a consistent approach in assessing going concern across each of the Group's main businesses in the UK, Australia, and the Middle East, in preparing a 'management case' and considering a severe but plausible mitigated downside scenario. The directors also carefully considered the forecast period to be reviewed as part of the going concern assessment and, due to the impact that project start dates can have on forecast cash flows, concluded that a 20-month period to March 2027 was appropriate.

In forming their conclusion as to the appropriateness of continuing to apply the going concern basis of accounting in preparing these financial statements, the directors have reviewed both the Group's management case forecast, representing management's best estimate of the future performance of the Group, including cash flow forecasts to 31 March 2027, and a severe but plausible downside scenario for each hub and as a Group. The directors have also considered the way in which the Group governs and manages its cash reserves and exercises tight control over its working capital as illustrated by its historical liquidity performance during the Covid-19 pandemic, Brexit, and the subsequent inflationary period in FY23. In addition, in assessing the appropriateness of the cash flow forecasts, the directors have considered them in the context of the Group's performance in FY25, its cash position at year-end, its funding, and the covenants it must comply with.

The Group pre-exceptional EBIT increased year on year, despite ongoing challenges and global turbulence, delivering a pre-exceptional EBIT of £111.3m (FY24: £75.6m). This result was driven by gross margin recovery and growth, coupled with tight control of overheads.

Year-end net cash increased versus prior year to £284.7m (FY24: £278.5m) and the year-end order book continued to grow year on year, increasing to a record level of £11.9bn (FY24: £10.8bn). This has further increased to £15.8bn as at 30 June 2025 following further significant wins post year end.

The Group's UK core bank debt, an unsecured £35.0m RCF, was extended by two years during FY24, with a revised expiry date of 3 April 2026. The management case business plan (its base case) and severe but plausible downside scenario both forecast the repayment of the unsecured RCF at expiry date. The Group is currently running a process to refinance the UK RCF, but no refinancing is assumed in the management case or downside scenario.

As a result of its continued careful cash management and positive pre-exceptional results, the Group continued to comply with its banking covenants, which are assessed at the level of Laing O'Rourke Plc (an indirect wholly-owned subsidiary of the Company) throughout FY25.

Full covenant compliance continues to be forecast within both the Group's management case and its severe but plausible downside scenario over the period to repayment of the RCF, and a £13.0m property loan, on 3 April 2026, at which point these covenants fall away. Details of the RCF covenants are provided in note 29.4 of the financial statements and the property loan is subject to a loan to value covenant.

During the year, on 5 July 2024, a loan of £40.0m was advanced from Ebsworth Holding & Finance Limited, a related party, to the Group on arm's length commercial terms for a period of two years. This loan is repaid in line with terms in both the Group's management case and severe but plausible downside scenario.

The RCF, which funds the UK business, permits loans to be made from Australia to the UK and Middle East, and back, subject to certain restrictions, which do not impact management's ability to manage UK, Australia, or Middle East liquidity. Laing O'Rourke Australia is required to give advance notice to the counterparty referred to in note 2.27(b) of certain transactions that would amount to financial support of the broader Laing O'Rourke Group. Transfers of funds from Australia to the UK have previously been made in May 2024 and October 2021 and loans from the Middle East to the UK are reviewed regularly and fluctuate on a regular basis. The directors therefore consider that liquidity can be reviewed on a Group basis, subject to directors' duties in each of the regions, but have also run individual hub level severe but plausible downside scenario reviews to reflect the day-to-day hub level management of liquidity. Therefore, both Group and hub level views of liquidity and covenant compliance have been reviewed as part of the overall assessment as to whether the going concern basis of accounting should be adopted.

The key assumptions and areas of estimation uncertainty reflected in the Group management case business plan include the following:

- Construction activity is assumed to continue in line with current levels, with no material deterioration in project gross margins or the working capital position;
- Existing project inflation allowances and general contingencies are appropriate and sufficient. The Group continues to closely review and monitor the inflationary environment together with any potential inflationary impact from global tariffs, and to manage inflation risk from the bid/tender stage and throughout the contract life, through our governance processes and various mitigation strategies. The Group has also continued to adopt a more resilient contracting model, improving the Group's inflation risk profile and any potential inflationary impacts on the estimated final cost of its projects;

Going concern (continued)

- The management case cash assumption is that there are not expected to be any adverse material cash settlements in the period to 31 March 2027 relating to the contingent liability matters disclosed in note 28 of the financial statements;
- The management case cash assumption, based on the latest arbitral timetable, does not forecast the settlement of the claim described in note 2.27(b) and notes 24 and 28 within the going concern period. Further clarity on the likely outcome of the arbitration is expected during the financial year ending 31 March 2027, with a final award under the arbitration now being received no earlier than April 2027. In June 2024, Laing O'Rourke Australia Construction Pty Ltd made an on-account and without admission payment of AUD\$72m (£36m) in respect of the ongoing private arbitration referred to in note 24, which resulted in a consequential reduction of the Group's provision. The consequential reduction has been partially offset by recent developments in the ongoing private arbitration;
- Work-winning continues to reflect current expectations in terms of timing and margin and is in line with average win rates in previous years;
- Continued support of our supply chain in terms of product material, labour supply, and flexibility in payment terms. Based on our detailed assessment of our supply chain management, our direct delivery model, and our experience to date, any disruption to the supply of materials to projects, shortages of labour, and impact of US tariffs, if experienced, is expected to be able to be accommodated within existing project programmes or programme contingencies; and
- The underlying relevant market drivers continue as expected for construction work in infrastructure, nuclear and green energy, healthcare, science and research, data centres, defence, justice, and rail.

The Board's management case forecast does not anticipate any breaches of banking covenants relating to the UK RCF or UK property loan in the period to 31 March 2027 and this forecast delivers a comfortable level of Group operating cash liquidity headroom across the same period in each of the UK, Australia, and Middle East businesses. Furthermore, it is assumed that availability of cross-Group funding arrangements between Australia and the UK would continue to be possible if required, notwithstanding that it is subject to a notification requirement as a result of the claim in Australia as described in note 2.27(b) and described above.

In addition to consideration of its management case most likely outcome, the directors have also considered a number of downside scenarios and mitigating actions in light of the potential uncertainties created by ongoing global and governmental challenges and turbulence, the timing and quantum of provisions described in note 24, supply chain disruption risk, and the impact of any contingent liabilities or claims (see note 28). These scenarios have been prepared using certain key assumptions, including a review of compliance with financial covenants predominantly in the UK and liquidity headroom across the Group as a whole and all three countries individually. Of these downside scenarios, the severe but plausible scenario described further below is the most severe, although it does include mitigation that is within management's control.

Key assumptions in the Group's severe but plausible downside scenario include the following items with assumptions tailored to each jurisdiction:

- Lower revenue and trading volumes resulting in weaker margins and reduced working capital – notably:
 - All work to find delayed by three months across FY26 and FY27 together with certain specific project risks in the UK;
 - All work to find reduced by 30 per cent across FY26 and FY27 in the Australia Hub;
 - All work to find delayed by three months across FY26 and FY27 together with certain specific project risks in the Middle East; and
 - Certain specific project risks and risks to cash generation initiatives and working capital.

Mitigating actions under management's control that would be taken and have been assumed in the severe but plausible downside scenario are:

- Reviewing operating structure requirements as a result of lower volume;
- Reducing discretionary operating spend in FY26 and FY27;
- Delaying any discretionary reward spend; and
- Delaying non-essential capital expenditure.

The overall net impact of the above downside assumptions and mitigating actions results in an approximately £94m cash deterioration during FY26 and FY27 compared with the management case. Group cash headroom is in excess of £185m throughout the period in the severe but plausible downside scenario. EBITDA covenants in the UK, which are assessed on a rolling 12 month basis, continue to have sufficient headroom in the downside scenario and UK cash headroom remains in excess of minimum required covenant levels.

Neither the management case nor the severe but plausible downside case reflect a refinance of the existing UK RCF facility when it expires on 3 April 2026. The Group is currently running a process to refinance the UK RCF facility.

Further actions that could be taken in the event of a severe but plausible downside but have not been assumed in the model are:

- Further reduction in discretionary spend and non-essential capital expenditure;
- Further actions to manage working capital; and
- Reductions in headcount.

Even under the severe but plausible downside scenario there is no forecast breach of UK covenants that would result in an Event of Default under the facilities, and sufficient liquidity is maintained across the Group.

Going concern (continued)

Outside of the mitigations entirely within the Group's control, as summarised above, in the event of a severe deterioration in trading or other threat to the Group's liquidity or covenant headroom, the directors would also seek to:

- Dispose of specific assets; and
- Raise additional external funding, including further refinancing of the Group's plant and machinery assets.

In addition, the directors have also assessed the extent of downside that would be required for liquidity to drop below zero (a reverse stress-test scenario):

- This considers the revenue reduction required versus the management case in order for liquidity to drop below zero as at March 2027. This would require revenue to reduce or be delayed by approximately £2.8bn across FY26 and FY27 (a 36 per cent reduction or delay in revenue compared with the management case), with resultant loss of margin, with no mitigation; and
- A reduction in revenue of approximately £600m would be required for a sustained drop below UK minimum operating liquidity.

The directors have carefully considered the likelihood of the above range of scenarios and remain confident that the Group is well positioned to deliver its management case forecast in light of the following:

- The current order book for the Group is ahead of the FY25 year end position at £15.8bn (as at 30 June 2025) as a result of continued work-winning success in the Europe Hub post year end. As at 30 June 2025, the Group has 86 per cent of its expected FY26 revenue either secured or anticipated and 76 per cent of its expected FY27 revenue is at the secured, anticipated, or preferred bidder stage;
- Laing O'Rourke's investment in developing sector-leading modern methods of construction (MMC) capability, its proven track record against a challenging market backdrop, a lower inflationary environment, integrated delivery model, strong client relationships, and engagement and resilience to supply chain risk ensure that it is well positioned to continue to win work; and
- Cash flows in the three months ended 30 June 2025 are slightly above the management case forecast for the Group.

The Board has carefully considered those factors likely to affect the Group's future development, performance, and financial position as outlined above, in relation to the ability of the Group to operate within its current and foreseeable resources, both financial and operational. The factors considered included, but were not limited to, the timing and quantum of provisions described in note 24, potential uncertainties created by ongoing global and governmental challenges and turbulence, and the impact of any contingent liabilities or claims. The Board has also considered the ability of the Group to settle the claim described in notes 2.27(b), 24, and 28, shortly after the end of the formal going concern period, with final award under the arbitration now expected to be received no earlier than April 2027.

Based on this assessment, the directors have a reasonable expectation that the Group has adequate resources to continue in existence and meet its liabilities as they fall due in the period to 31 March 2027 and that there are no material uncertainties that may cast significant doubt on the Group's going concern status.

The Group has, therefore, continued to adopt the going concern basis of accounting in preparing the Group's financial statements. The financial statements do not, therefore, include the adjustments that would result if the Group were unable to continue as a going concern.

Refer to note 2.27(e) relating to going concern.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable Jersey law and International Financial Reporting Standards as adopted by the European Union.

The directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that year. In preparing the financial statements, the directors are responsible for:

- Selecting suitable accounting policies and then applying them consistently;
- Stating whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Making judgements and accounting estimates that are reasonable and prudent; and
- Preparing the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors confirm that they have complied with all of the above requirements in preparing the financial statements.

The directors are responsible for ensuring that the financial statements comply with the Companies (Jersey) Law 1991 and for safeguarding the assets of the Group and the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors and disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the Group's and the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's and the Company's auditors are aware of that information.

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

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office as auditors of the Group.

Approval

This report was approved by the Board on 25 July 2025 and signed on its behalf by:



Paul Teasdale
Director



Cathal O'Rourke
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAING O'ROURKE CORPORATION LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Laing O'Rourke Corporation Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2025 and of the group's profit, the company's loss and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted in the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Report and Accounts (the "Annual Report"), which comprise: the consolidated and company statements of financial position as at 31 March 2025; the consolidated and company income statements, the consolidated and company statements of comprehensive income, the consolidated and company statements of cash flows and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – Valuation of provision and disclosures in relation to a dispute (applicable to the Group financial statements only)

In forming our opinion on the group financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2.27(b) to the Group financial statements, and the valuation of the provision of £110.9m (AUD\$229.6m) (2024: £137.9m (AUD\$266.2m)) recognised, in relation to the claim for payment received from the counterparty to a contract terminated during the financial year 2017. The resolution of the

claim remains subject to private arbitration, which is ongoing and the outcome of which is subject to a high degree of estimation uncertainty.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities for the financial statements and the audit (continued)**Responsibilities of the directors for the financial statements (continued)**

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of environmental legislation, health and safety legislation, data protection legislation, anti-bribery and corruption legislation, employment laws and construction laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies (Jersey) Law 1991 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management and the Group's internal legal counsel, including consideration of potential instances of non-compliance with laws and regulation and fraud;
- Assessment of matters reported through the Group's whistleblowing helpline and the results of management's investigation of such matters;
- Obtaining legal letters from the Group's external legal advisers in respect of certain litigation and claims, where considered necessary;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Substantive testing of journal entries which met a defined risk criteria, focusing on where and how fraud could arise; and

- Challenging assumptions and judgements made by management in its accounting estimates or judgements, in particular in relation to contract accounting, disputes and latent defects liabilities.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting**Companies (Jersey) Law 1991 exception reporting**

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Simon Morley
FOR AND ON BEHALF OF

PricewaterhouseCoopers LLP

Chartered accountants

LONDON, 25 July 2025

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2025

	Note	Pre-exceptional items 2025 £m	Exceptional items (note 5) 2025 £m	Total 2025 £m	Pre-exceptional items 2024 £m	Exceptional items (note 5) 2024 £m	Total 2024 £m
Revenue including share of joint ventures and associates	3	4,300.3	–	4,300.3	4,327.4	–	4,327.4
Share of revenue of joint ventures and associates		(343.8)	–	(343.8)	(337.8)	–	(337.8)
Group revenue¹	3	3,956.5	–	3,956.5	3,989.6	–	3,989.6
Cost of sales		(3,683.0)	(35.5)	(3,718.5)	(3,735.4)	(24.4)	(3,759.8)
Gross profit/(loss)		273.5	(35.5)	238.0	254.2	(24.4)	229.8
Administrative expenses		(198.3)	(0.8)	(199.1)	(193.9)	(11.2)	(205.1)
Other operating income	8	21.6	–	21.6	15.0	–	15.0
Group operating profit/(loss)		96.8	(36.3)	60.5	75.3	(35.6)	39.7
Profit/(loss) on disposal of subsidiaries	13	16.7	–	16.7	(1.5)	–	(1.5)
Share of post-tax (losses)/profits of joint ventures and associates	15	(2.2)	–	(2.2)	1.8	–	1.8
Profit/(loss) from operations	6	111.3	(36.3)	75.0	75.6	(35.6)	40.0
Finance income	9	9.9	–	9.9	11.4	–	11.4
Finance expense	10	(39.2)	(4.2)	(43.4)	(29.0)	(4.3)	(33.3)
Net finance expense		(29.3)	(4.2)	(33.5)	(17.6)	(4.3)	(21.9)
Profit/(loss) before tax		82.0	(40.5)	41.5	58.0	(39.9)	18.1
Tax	5, 11	(18.9)	6.9	(12.0)	(21.1)	10.6	(10.5)
Profit/(loss) for the year		63.1	(33.6)	29.5	36.9	(29.3)	7.6

1. Group revenue represents revenue as defined under IFRS 15, Revenue from Contracts with Customers.

The notes on pages 78 to 116 form an integral part of these consolidated financial statements.

COMPANY INCOME STATEMENT

for the year ended 31 March 2025

	Note	Pre-exceptional items 2025 £m	Exceptional items (note 5) 2025 £m	Total 2025 £m	Pre-exceptional items 2024 £m	Exceptional items (note 5) 2024 £m	Total 2024 £m
Revenue	3	0.1	–	0.1	0.6	–	0.6
Cost of sales		–	–	–	–	–	–
Gross profit		0.1	–	0.1	0.6	–	0.6
Administrative expenses		(7.3)	–	(7.3)	(5.2)	–	(5.2)
Dividend income		–	–	–	3.6	–	3.6
Loss from operations and loss before tax	6	(7.2)	–	(7.2)	(1.0)	–	(1.0)
Tax		–	–	–	–	–	–
Loss for the year		(7.2)	–	(7.2)	(1.0)	–	(1.0)

The notes on pages 78 to 116 form an integral part of the parent company financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2025

	Note	Pre-exceptional items 2025 £m	Exceptional items (note 5) 2025 £m	Total 2025 £m	Pre-exceptional items 2024 £m	Exceptional items (note 5) 2024 £m	Total 2024 £m
Profit/(loss) for the year		63.1	(33.6)	29.5	36.9	(29.3)	7.6
Other comprehensive (expense)/income:							
Items that may be subsequently reclassified to profit or loss:							
Exchange differences on translating foreign operations		(11.8)	–	(11.8)	(7.1)	–	(7.1)
Recycled foreign currency translation reserve due to dissolution of overseas branches		–	–	–	1.5	–	1.5
Other comprehensive expense for the year, net of tax	11	(11.8)	–	(11.8)	(5.6)	–	(5.6)
Total comprehensive income/(expense) for the year		51.3	(33.6)	17.7	31.3	(29.3)	2.0

Items disclosed in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 11.

The notes on pages 78 to 116 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2025

	Pre-exceptional items 2025 £m	Exceptional items (note 5) 2025 £m	Total 2025 £m	Pre-exceptional items 2024 £m	Exceptional items (note 5) 2024 £m	Total 2024 £m
Loss for the year	(7.2)	–	(7.2)	(1.0)	–	(1.0)
Other comprehensive (expense)/ income:						
Other comprehensive (expense)/ income for the year	–	–	–	–	–	–
Other comprehensive (expense)/ income for the year, net of tax	–	–	–	–	–	–
Total comprehensive expense for the year	(7.2)	–	(7.2)	(1.0)	–	(1.0)

The notes on pages 78 to 116 form an integral part of the parent company financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2025

	Note	2025 £m	2024 £m
Assets			
Non-current assets			
Intangible assets	12	343.2	344.7
Investments in joint ventures and associates	15	12.5	13.2
Loans to joint ventures	15	8.0	8.0
Property, plant, and equipment	16	180.9	165.1
Right-of-use assets	17	221.0	200.6
Deferred tax assets	25	114.9	124.6
Trade and other receivables	19	119.0	56.5
Contract assets	18	26.4	50.4
Total non-current assets		1,025.9	963.1
Current assets			
Inventories	20	21.8	25.8
Contract assets	18	298.9	365.1
Trade and other receivables	19	174.1	159.7
Current tax assets		19.2	15.2
Assets classified as held-for-sale	16	–	2.0
Cash and cash equivalents (excluding bank overdrafts)	21	513.1	446.7
Total current assets		1,027.1	1,014.5
Total assets		2,053.0	1,977.6
Liabilities			
Current liabilities			
Borrowings	22	(76.2)	(75.1)
Contract liabilities	18	(322.8)	(277.6)
Trade and other payables	23	(754.8)	(795.3)
Provisions	24	(234.6)	(214.6)
Current tax liabilities		(0.3)	(0.4)
Total current liabilities		(1,388.7)	(1,363.0)

	Note	2025 £m	2024 £m
Non-current liabilities			
Borrowings	22	(253.9)	(190.5)
Contract liabilities	18	–	(0.4)
Trade and other payables	23	(43.4)	(47.2)
Provisions	24	(148.3)	(175.5)
Total non-current liabilities		(445.6)	(413.6)
Total liabilities		(1,834.3)	(1,776.6)
Net assets		218.7	201.0
Equity			
Share capital ¹	26,27	0.0	0.0
Share premium	27	344.6	344.6
Foreign currency translation reserve	27	5.1	16.9
Accumulated losses	27	(131.0)	(160.5)
Total equity		218.7	201.0

1. These financial statements are rounded to the nearest £100,000. Share capital of the Company as at 31 March in both years was £6,211.

The financial statements on pages 68 to 116 were approved and authorised for issue by the Board on 25 July 2025 and were signed on its behalf by:



Paul Teasdale
Director



Cathal O'Rourke
Director

The notes on pages 78 to 116 form an integral part of these consolidated financial statements.

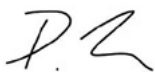
COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 March 2025

	Note	2025 £m	2024 £m
Assets			
Non-current assets			
Investments in subsidiaries	14	478.6	478.9
Property, plant, and equipment	16	0.3	0.3
Trade and other receivables	19	3.5	–
Total non-current assets		482.4	479.2
Total assets		482.4	479.2
Liabilities			
Current liabilities			
Borrowings	22	(139.5)	(132.5)
Trade and other payables	23	(10.5)	(7.1)
Total current liabilities		(150.0)	(139.6)
Net assets		332.4	339.6
Equity			
Share capital ¹	26, 27	0.0	0.0
Share premium	27	344.6	344.6
Accumulated losses	27	(12.2)	(5.0)
Total equity		332.4	339.6

1. These financial statements are rounded to the nearest £100,000. Share capital of the Company as at 31 March in both years was £6,211.

The financial statements on pages 68 to 116 were approved and authorised for issue by the Board on 25 July 2025 and were signed on its behalf by:



Paul Teasdale
Director



Cathal O'Rourke
Director

The notes on pages 78 to 116 form an integral part of the parent company financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2025

	Note	2025 £m	2024 £m
Cash flows from operating activities			
Profit before tax		41.5	18.1
Adjustments for:			
Depreciation and amortisation	6	65.8	56.7
Non-cash exceptional items		40.2	27.1
Revenue impact significant financing component	3	(11.3)	(8.4)
Gain on disposal of subsidiaries	13	(16.7)	–
Loss on disposal of property, plant, and equipment and right-of-use assets	6	0.8	3.2
Impairment of property, plant, and equipment – exceptional	16	–	0.6
Loss on disposal of intangible assets		–	0.5
Write off of intangible assets	12	2.2	–
Net finance costs (pre-exceptional)		29.3	17.6
Research and development expenditure credit	8	(21.4)	(14.6)
Share of post-tax results of joint ventures and associates	15	2.2	(1.8)
(Increase)/decrease in trade and other receivables		(82.8)	30.8
Decrease/(increase) in contract assets		80.4	(48.2)
Decrease in inventories		3.4	3.0
Decrease in trade and other payables		(26.2)	(5.2)
(Decrease)/increase in provisions		(24.7)	61.2
Increase/(decrease) in contract liabilities		49.3	(48.3)
Foreign exchange gains	6	(5.1)	–
Other		1.2	0.3
Cash generated from operations		128.1	92.6
Interest paid		(29.5)	(18.2)
Tax received		13.9	19.6
Net cash generated from operating activities		112.5	94.0

	Note	2025 £m	2024 £m
Cash flows used in investing activities			
Purchase of property, plant, and equipment	16	(40.5)	(43.8)
Purchase of intangible assets	12	(8.5)	(12.7)
Capital injections in joint ventures	15	(0.3)	(3.3)
Proceeds from sale of property, plant, and equipment		6.7	4.1
Proceeds on disposals of subsidiaries		5.3	–
Interest received		9.9	9.6
Distributions received from joint ventures and associates	15	0.8	2.5
Net cash used in investing activities		(26.6)	(43.6)
Cash flows used in financing activities			
Proceeds from new bank and other loans		40.0	22.2
Repayments of borrowings		(31.7)	(19.9)
Proceeds from refinancing existing property, plant, and equipment		50.1	19.9
Finance lease repayments (principal)		(56.2)	(46.9)
Net cash generated from/(used in) financing activities		2.2	(24.7)
Net increase in cash and cash equivalents		88.1	25.7
Cash and cash equivalents at beginning of year		443.3	428.1
Effect of exchange rate fluctuations on cash held		(18.3)	(10.5)
Cash and cash equivalents at end of year		513.1	443.3

The notes on pages 78 to 116 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 March 2025

	2025 £m	2024 £m
Cash flows from operating activities		
Loss before tax	(7.2)	(1.0)
Adjustments for:		
Dividend income	–	(3.6)
Impairment of investments	0.3	–
Depreciation	–	0.1
Increase in trade and other receivables	(3.5)	–
Increase/(decrease) in trade and other payables	3.4	(5.0)
Cash used in operations	(7.0)	(9.5)
Dividends received	–	3.6
Net cash used in operating activities	(7.0)	(5.9)
Cash flows generated from financing activities		
Adjustments for:		
Net advances from Group undertakings	7.0	5.8
Net cash generated from financing activities	7.0	5.8
Net change in cash and cash equivalents	–	(0.1)
Cash and cash equivalents at beginning of year	–	0.1
Cash and cash equivalents at end of year	–	–

The notes on pages 78 to 116 form an integral part of the parent company financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2025

	Share capital ¹ £m	Share premium £m	Foreign currency translation reserve £m	Accumulated losses £m	Total shareholders' equity £m
At 1 April 2023	0.0	344.6	22.5	(168.1)	199.0
Profit for the year	–	–	–	7.6	7.6
Other comprehensive expense after tax	–	–	(5.6)	–	(5.6)
Total comprehensive income/(expense) for the year	–	–	(5.6)	7.6	2.0
At 31 March 2024	0.0	344.6	16.9	(160.5)	201.0
Profit for the year	–	–	–	29.5	29.5
Other comprehensive expense after tax	–	–	(11.8)	–	(11.8)
Total comprehensive income/(expense) for the year	–	–	(11.8)	29.5	17.7
At 31 March 2025	0.0	344.6	5.1	(131.0)	218.7

1. These financial statements are rounded to the nearest £100,000. Share capital of the Company as at 31 March in both years was £6,211.

Additional disclosure and details are provided in note 27.

The notes on pages 78 to 116 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2025

	Share capital ¹ £m	Share premium £m	Accumulated losses £m	Total equity £m
At 1 April 2023	0.0	344.6	(4.0)	340.6
Loss for the year	–	–	(1.0)	(1.0)
Other comprehensive expense after tax	–	–	–	–
Total comprehensive expense for the year	–	–	(1.0)	(1.0)
At 31 March 2024	0.0	344.6	(5.0)	339.6
Loss for the year	–	–	(7.2)	(7.2)
Other comprehensive expense after tax	–	–	–	–
Total comprehensive expense for the year	–	–	(7.2)	(7.2)
At 31 March 2025	0.0	344.6	(12.2)	332.4

1. These financial statements are rounded to the nearest £100,000. Share capital of the Company as at 31 March in both years was £6,211.

Additional disclosure and details are provided in note 27.

The notes on pages 78 to 116 form an integral part of the parent company financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025

1 General information

Laing O'Rourke Corporation Limited (the 'Company') is a private limited company incorporated and domiciled in Jersey. The Group prepares consolidated and Company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and Companies (Jersey) Law 1991. The address of the registered office is given on page 60.

The principal activities of the Group are that of mixed construction works; see note 2.05 for details of individually material revenue streams. The principal activity of the Company is to hold investments in the Group's operations and trade. The nature of the Company's principal subsidiary companies and their principal activities are set out in note 37 and in the Financial review on pages 25 to 30. The consolidated financial statements of the Group for the year ended 31 March 2025 comprise the Company and its subsidiaries and the Group's interest in joint arrangements and associates.

2 Material accounting policies

The following accounting policies are those of the Group, unless stated otherwise. Accounting policies specific to the Company are detailed in note 2.29.

2.01 Statement of compliance

The Group consolidated and Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the European Union (Adopted IFRS and IFRS Interpretations Committee (IFRIC) interpretations) and Companies (Jersey) Law 1991.

2.02 Basis of preparation

The consolidated and Company financial statements are presented in pounds sterling, rounded to the nearest £100,000. The consolidated financial statements include the results of the Company, its subsidiary undertakings, and the Group's interest in joint arrangements and associates for the year ended 31 March 2025. The consolidated and Company financial statements have been prepared on a going concern basis under the historical cost convention and financial assets and financial liabilities at fair value through OCI. The principal accounting policies, which have been consistently applied for all consolidated and equity-accounted entities including subsidiaries, joint arrangements, and associates, are set out below.

Going concern

The Board has carefully considered those factors likely to affect the Company and the Group's future development, performance, and financial position in relation to the ability to operate within their current and foreseeable resources – both financial and operational. The Board have determined that both the Company and the Group have sufficient financial resources, committed banking facilities, and secured revenue, and a sufficiently strong order book, and for these reasons the directors continue to adopt the going concern basis in preparing the consolidated financial statements. Refer to note 2.27(e) and pages 62 to 64 of the consolidated management report relating to going concern.

Accounting standards

The following standards, amendments, and interpretations became effective in the year ended 31 March 2025 and have been adopted:

- a) Amendments to IAS 1, Presentation of Non-current Liabilities with Covenants;
- b) Amendment to IFRS 16, Lease Liability in a Sale and Leaseback Transaction; and
- c) Amendment to IAS 7 and IFRS 7, Supplier Finance.

None of these new standards had a material impact on the Group or Company financial statements.

The directors have considered recently published IFRSs, new interpretations, and amendments to existing standards that are mandatory for the Group's accounting periods commencing on or after 1 April 2025.

Standards that are not yet effective and have not been adopted early by the Group are:

- a) Amendments to IAS 21, Lack of Exchangeability;
- b) Amendment to IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments;
- c) IFRS 18, Presentation and Disclosure in Financial Statements; and
- d) IFRS 19, Subsidiaries without Public Accountability: Disclosures.

The Group is in the process of assessing the effect of the above standards on the consolidated and Company financial statements. The Group has chosen not to adopt any of the above standards and interpretations earlier than required.

2 Material accounting policies (continued)

2.03 Basis of consolidation

- a) The consolidated financial statements include the financial statements of subsidiaries controlled by the Company. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are deconsolidated from the date control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group falling within the scope of IFRS 3, Business Combinations. The consideration for the acquisition of a subsidiary is the fair values of the assets transferred, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between the fair value of the consideration received and the carrying amount of the assets less liabilities of the subsidiary.

- b) Associates are operations over which the Group has the power to exercise significant influence but not control, generally accompanied by a share of between 20 per cent and 50 per cent of the voting rights. Associates are accounted for using the equity method and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement. If the Group's share of losses in an associate equals its investment, the Group does not recognise further losses, unless it has incurred obligations to make payments on behalf of the associate, in which case a provision is recognised.
- c) Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of each joint arrangement and has determined some to be joint operations and some to be joint ventures, as detailed in note 37.
- i) The Group accounts for its share of the assets, liabilities, revenue, and expenses in a joint operation under each relevant heading in the income statement and the statement of financial position.

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

Intra-Group balances and transactions together with any unrealised gains arising from intra-Group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with jointly controlled entities and jointly controlled operations are eliminated to the extent of the Group's interest in the entity. The Group's share of unrealised gains arising from transactions with associates is eliminated against the investment in the associate. The Group's share of unrealised losses is eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.04 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates ('the functional currency'). The consolidated financial statements are presented in pounds sterling, which is the functional and presentation currency of Laing O'Rourke Corporation Limited.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

2 Material accounting policies (continued)

2.04 Foreign currency translation (continued)

Group companies

The results and financial position of all Group entities (none of which has the functional currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- ii) Income and expenses for each income statement and statement of cash flows are translated at average exchange rates for the period; and
- iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of, or sold, exchange differences that were recorded in other comprehensive income are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.05 Revenue recognition

The Group recognises revenue when it transfers control over a product or service to its customer. Revenue is measured at the fair value of the consideration received or receivable, net of sales tax, for goods and services supplied to external customers, and excludes amounts collected on behalf of third parties.

The primary revenue stream relates to work on long-term construction contracts and accounts for over 90 per cent of the Group's revenue.

The Group has an integrated supply chain model, offering wide-ranging construction-related activities. Depending on the nature of the product or service delivered and the timing of when control is passed onto the customer, the Group will account for the revenue over time or at a point in time.

a) Long-term contracts (including construction)

Revenue recognition is based on the satisfaction of individual performance obligations and for construction and service contracts, these obligations are satisfied over time and, therefore, contract revenue is recognised by reference to the stage of completion of each contract, as measured by the proportion of costs incurred as at the balance sheet date compared with the total expected costs of the contract, as set out in the accounting policy for construction and service contracts.

Where consideration is not specified in the contract with a customer, and is therefore subject to variability, the Group estimates the amount of consideration to be received from its customer. The measurement of variable consideration is subject to the constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

Additionally, where a modification to an existing contract occurs, the Group assesses the nature of the modification and whether it represents a new separate performance obligation or whether it is a modification to the existing performance obligation.

The Group does not expect to have any contracts where the period between the request for payment for the transfer of goods and services to the customer and the payment by the customer exceeds one year. As a consequence, the Group does not adjust its transaction price for the time value of money.

Any consideration received from the customer in advance of work being completed is deferred and recognised as revenue as the performance obligations in the contract that benefit the customer are satisfied.

Revenue from construction and certain service activities is recognised over time and the Group uses the input method to measure progress of delivery.

b) Manufacturing

Revenue from manufacturing activities is recognised at a point in time when title has passed to the customer.

c) Plant hire

Revenue from plant hire activities is recognised over time as performance obligations are satisfied. Variable consideration is assessed on an individual contract basis according to the circumstances and terms of each project and only recognised to the extent that it is highly probable not to significantly reverse in the future. The Group also recognises revenue from sale of equipment at a point in time when control is transferred. When equipment is no longer available for hire and is held for sale, it is transferred from property, plant, and equipment to inventory. Cash received for the sale of such assets is treated as cash flow from operating activities.

d) Services revenue

Revenue from other services contracts is recognised over time as performance obligations are satisfied. Variable consideration is assessed on an individual contract basis according to the circumstances and terms of each project and only recognised to the extent that it is highly probable not to significantly reverse in the future. The Group also recognises revenue on specific contracts at a point in time when control is transferred.

The Company recognises revenue in respect of parent company guarantee services provided to its subsidiaries. This revenue is recognised over time.

2 Material accounting policies (continued)

2.06 Construction and service contracts

When the outcome of individual contracts can be estimated reliably, contract revenue is recognised by reference to the stage of completion of each contract, as measured by the proportion of costs incurred as at the balance sheet date compared with the estimated total cost of the contract. Contract costs are expensed as incurred. Where multiple contracts are signed to deliver a single commercial objective, as agreed at the outset, elements such as initial works and main works contracts are treated as separate contracts, but are viewed as representing a single performance obligation. Accordingly, revenues and costs from these contracts are accounted for using the cumulative catch-up method, with revenue recognised based on costs incurred as a proportion of total expected costs across the contracts on an aggregated basis. Management has made this judgement on the basis that work performed under such separate legal contracts constitutes a single performance obligation, as it does not consider that distinct goods or services are provided as a result of work performed under each contract from which the customer can derive an identifiable benefit – i.e. the customer only benefits from the output of the contracts on a combined basis. This judgement is separately evaluated for every contract to ensure that the facts and circumstances unique to each contract are considered and revenue is accounted for appropriately.

Provision is made for all known or expected losses on individual contracts once such losses are foreseen. Incremental costs required to satisfy contract obligations are considered in this assessment. IAS 37 also requires an assessment of other costs directly relating to fulfilling contracts to be included in the provision for all known or expected losses as well as when assessing whether a contract is loss making.

Where costs incurred plus recognised profits less recognised losses exceed progress billings, the balance is recognised as a contract asset. Where progress billings exceed costs incurred plus recognised profits less recognised losses, the balance is recognised as a contract liability. Contract assets include retentions and are classified as a current asset unless recovery is due in more than one year.

Estimates of the final outcome on each contract may include cost contingencies to take account of specific risks within each contract. Cost contingencies are reviewed on a regular basis throughout the life of the contract and are adjusted where appropriate. However, the nature of the risks on projects is such that such risks often cannot be resolved until the end of the project and therefore may not reverse until the end of the project. The estimated final outcome on projects is continually reviewed, recoveries from insurers are assessed (and only recognised if it is virtually certain that these will be received) and adjustments are made where necessary.

Revenue in respect of variations to contracts and incentive payments is recognised when there is an enforceable right to payment and it is highly probable it will be agreed by the customer. Variable consideration is assessed on an individual contract basis according to the circumstances and terms of each project and only recognised to the extent that it is highly probable not to significantly reverse in the future.

2.07 Pre-contract bid costs

Pre-contract costs are expensed as incurred.

2.08 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the Group will comply with all attached conditions and that the grant will be received. Government grants are recognised in the income statement over the period necessary to offset them against the costs that they are intended to compensate.

2.09 Trading analysis

The Group considers its Board of directors to be the chief operating decision maker and therefore the segmental disclosures provided in note 4 are aligned with the reports provided to the Board of directors who meet at least four times a year. Trading analysis information is therefore based on the Group's internal reporting structure of two operating hubs and a corporate centre. Further information on the business trading activities is set out in the operating overview on pages 13 to 17. Trading analysis results present the directly attributable contribution of the different hubs to the results of the Group. Operational transactions between hubs are conducted at arm's length market prices.

2.10 Pension costs

The Group operates defined contribution pension schemes for employees. The contributions paid by the Group and the employees are invested in the pension fund within 30 days following deduction. Once the contributions have been paid, the Group, as employer, has no further payment obligations. The Group's contributions are charged to the income statement in the year to which they relate.

2.11 Profit/(loss) from operations

Profit/(loss) from operations is stated after the Group's share of the post-tax results of equity accounted joint venture entities and associates, but before finance income and finance expense.

2.12 Finance income/(expense)

Finance income/(expense) is recognised using the effective interest method. In calculating finance income/(expense), the effective interest rate is applied to the gross carrying amount of the asset, when the asset is not impaired, or to the amortised cost of the liability for interest expense. For financial assets that have been impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired the interest income calculation reverts to the gross carrying amount.

2 Material accounting policies (continued)

2.13 Exceptional items

Exceptional items are defined as income or expenditure relating to one-off events which, in the opinion of the directors, are material, not expected to recur, and unusual in nature or of such significance that they require separate disclosure on the face of the consolidated income statement in accordance with IAS 1, Presentation of Financial Statements. An assessment is made of events occurring during the year on both a quantitative and qualitative basis to determine which events require separate disclosure because they do not relate to the Group's underlying performance.

2.14 Tax

Tax expense represents the sum of the tax currently payable and deferred tax. The current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it also excludes items that are neither taxable nor deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided on temporary differences arising from investments in subsidiaries, associates, and joint arrangements, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred taxes are not provided in respect of temporary differences arising from the initial recognition of goodwill, or from goodwill for which amortisation is not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is calculated at the tax rates based on those enacted or substantively enacted at the balance sheet date and are expected to apply when the related asset is realised or liability settled. Deferred tax is charged or credited in the income statement except when it relates to items charged or credited directly to equity, in which case the deferred tax is also included in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.15 Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, associate, or joint venture at the date of acquisition. Separately recognised goodwill is tested annually for impairment and carried at cost less impairment losses.

Goodwill is included when determining the profit or loss on subsequent disposal of the business to which it relates. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Computer software and licences

Other intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is based on the useful lives of the assets concerned, and recognised on a straight-line basis over 2-5 years.

Development costs

Development costs are capitalised as intangible assets only if certain criteria are met in order to demonstrate the asset will generate future economic benefits and that its cost can be reliably measured. Development costs include IT assets under construction. All other research and development expenditure is recognised in cost of sales or administrative expenses as incurred. Research and development expenditure credits relate to amounts recoverable from HMRC on previously incurred expenditure.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually. Assets that are subject to amortisation or depreciation are reviewed for impairment or reversal of prior impairments when significant circumstances or events indicate a change in the carrying value. For impairment testing, goodwill is allocated to cash-generating units by geographical reporting unit and business segment. Assets are grouped at the lowest level for which there are largely independent cash inflows.

2.16 Property, plant, and equipment

Property, plant, and equipment are reported at historical cost less accumulated depreciation and any recognised impairment loss. Land is not depreciated. Where parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate items. Cost comprises purchase price and directly attributable costs. Depreciation is calculated on the straight-line method to write down the costs of the assets to their residual values over their estimated useful lives as follows:

Land and buildings	35 years
Plant	10-15 years
Computer and office equipment	2-15 years
Vehicles	2-5 years

2 Material accounting policies (continued)

2.16 Property, plant, and equipment (continued)

Certain land and buildings were revalued under previous accounting standards. On transition to IFRS, the Group elected to use the revalued amount as deemed cost.

Assets held under right-of-use leases are depreciated over the term of the lease or the estimated useful life of the asset, as appropriate.

Gains and losses on disposal are recognised within cost of sales, administrative expenses, or profit on disposal of property in the income statement based on the nature of the assets disposed of.

2.17 Leases

The Group assesses whether a contract is, or contains, a lease at the inception of the contract. A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost and subsequently depreciated over the lease term. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, at the Group's incremental borrowing rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of less than 12 months and leases of low value assets (below US\$5,000). Instead, the Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.18 Financial investments

The Group has classified its financial investments as assets held to collect and to sell, which are recognised at fair value.

Changes in the fair value of financial investments classified as held-for-sale are recorded in the fair value reserve within equity. When these are sold, the fair value adjustments recognised in equity are included in the income statement.

Under the terms of a Private Finance Initiative (PFI) or similar project, where the risks and rewards of ownership remain largely with the purchaser of the associated services, the Group's interest in the asset is classified within investments in joint ventures as held to collect and to sell under IFRS 9. These investments are measured at fair value through other comprehensive income.

2.19 Inventories

Inventories are stated at the lower of cost and estimated realisable value. Cost comprises the purchase price, net of any discounts received, cost of conversion and other costs involved in bringing the inventories to their present location and condition, such as direct and subcontract labour and overheads. The cost of development land may include borrowing costs. When determining the cost of inventories the Group's operational businesses will apply either the first-in first-out (FIFO) method or the weighted average cost formula, whichever is relevant for their operation. Inventories are assessed to determine if damage, obsolescence, or other external factors have reduced the ability to recover the cost. When this occurs the Group will write down the inventories to their estimated net realisable value. Net realisable value represents the estimated income less all estimated costs of completion and costs to be incurred in marketing, selling, and distribution.

2.20 Trade and other receivables

The Group has allocated receivables due within 12 months of the balance sheet date to current assets with the remainder included in non-current assets.

Trade receivables are initially recorded at fair value and subsequently measured at amortised cost, reduced by an allowance for expected credit losses and appropriate allowances for estimated irrecoverable amounts. Subsequent recoveries of amounts previously written off are credited to the income statement line in which the provision was originally recognised. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Prepayments and accrued income are stated at cost.

Other receivables are stated at cost. Other receivables also includes insurance recoveries which are recognised where they are deemed to be virtually certain that they will be received by the Group.

2.21 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand, deposits held at call with banks, project bank accounts controlled by the Group, and other short-term highly liquid investments with less than 90 days maturity from the date of acquisition. For the purposes of the cash flow statement, cash and cash equivalents also include bank overdrafts, which are included in borrowings in the statement of financial position.

2.22 Borrowings and borrowing costs

Interest-bearing bank loans and overdrafts are recognised initially at fair value net of transaction costs incurred. All borrowings are subsequently stated at amortised cost, with the difference between initial net proceeds and redemption value recognised in the income statement over the period to redemption.

All finance costs of debt, including premiums payable on settlement and direct issue costs, are charged to the income statement on an accruals basis over the term of the instrument, using the effective interest method.

2 Material accounting policies (continued)

2.22 Borrowings and borrowing costs (continued)

Borrowing costs are interest and other costs that the Group or Company incurs in connection with the borrowing, including interest on borrowings, amortisation of discounts or premia relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Changes in borrowings are assessed for modification or extinguishment in accordance with IFRS 9, with a gain or loss recognised in the income statement where required. In the Company, borrowings are all owed to Group undertakings and this policy also applies to those borrowings.

2.23 Trade and other payables

Trade and other payables are not interest-bearing and are stated at cost.

2.24 Provisions

Provisions for claims and litigation, defects, onerous contracts, and other commitments (including legal claims and dilapidations) are recognised at the best estimate of the present value of the expenditures expected to be required to settle the liability. Further information about each of these categories of provision is provided in note 24.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, where it is probable that an outflow will be required to settle the obligation and the amount of the obligation can be estimated reliably.

2.25 Provision for employees' end of service benefits

In the Australia business only, a provision is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by the employees up to year end. In the UAE business only, provision is also made, using actuarial techniques, for the end of service benefits due to employees in accordance with applicable local labour law legislation, or with Laing O'Rourke Group standard employment terms for their periods of service up to year end. Such end of service benefits provision is in lieu of, and is at least equivalent to, that required under the local labour law legislation.

In Australia, liabilities for long service leave which are not expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting year using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting year of high quality corporate bonds with terms and currency that match, as closely as possible, the estimated future cash outflows.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as non-current liabilities in the balance sheet.

2.26 Share capital

Ordinary shares are classified as equity.

2.27 Key judgements and estimation uncertainty

The preparation of financial statements under IFRS requires management to make estimates and assumptions that affect amounts recognised for assets and liabilities at the balance sheet date and the amounts of revenue and the expenses incurred during the reporting period. Actual outcomes may therefore differ from these estimates and assumptions. The estimates and assumptions that have the most significant impact on the carrying value of assets and liabilities of the Group within the next financial year are detailed as follows:

a) Revenue and margin recognition (judgement and estimate)

The Group's revenue recognition and margin recognition policies, which are set out in notes 2.05 and 2.06, are central to the way the Group values and accounts for the work it has carried out in each financial year and have been consistently applied.

Across the Group, 215 construction contracts (FY24: 215) were revenue-generating during the year. Of these, 18 (FY24: 23 restated to include contracts contributing a loss) individually had an impact equal to, or greater than, £5.0m on operating profit/(loss).

The economic outcomes of construction contracts are principally determined by the contractual terms, including how revenue is calculated based on the contract price (which can include milestone payments, progress-based payments, incentives, and gain-share or pain-share), the type of service being provided/risks being managed (for example traditional contracting or construction management), and the actual operational and financial performance versus forecast (at the time of contract award or subsequently). Other external factors can also have a material impact on performance, such as inflation, aspects of design development, ground conditions, weather, site access, and the performance of subcontractors.

2 Material accounting policies (continued)

2.27 Key judgements and estimation uncertainty (continued)

a) Revenue and margin recognition (judgement and estimate) (continued)

The key judgements and estimates relating to determining the revenue and profit of these material contracts within the Group's accounts are:

- Identification of separate performance obligations or whether all work for a customer represents a single performance obligation;
- Ensuring revenue recognised is highly probable, with specific attention being paid to the estimates of:
 - Recoverability of claims and variations from clients for changes in condition/scope;
 - Revenue receivable in relation to achievement of gain-share (or pain-share) milestones, and other incentive arrangements; and
 - Deductions for any damages levied by a client e.g. for late handover.
- Percentage of completion of the project versus the planned cost programme;
- Achievability of the planned build programme;
- Forecast cost to complete (including contingencies); and
- Allowances for post-practical completion works (including rectification of defects).

Each contract is treated on its merits and is subject to a regular review of the revenue and costs to complete by the project team and senior management. The level of estimation uncertainty in the Group's construction business is mitigated by:

- The processes in place regarding the selection of projects during the bid/work-winning phase;
- The level of experience of management and the Board in delivering projects and accounting for the various types of projects; and
- The processes in place to identify and mitigate issues promptly.

Volatility is also reduced by the effect of managing a significant portfolio of projects.

Nevertheless, the profit recognition in our construction business is a key estimate, due to the variety of contract terms and the inherent uncertainties in any construction project.

The estimation techniques used for revenue and profit recognition on construction contracts require forecasts to be made of the outcome of long-term contracts, which require assessments and judgements to be made on the recovery of pre-contract costs, changes in the scope of work, contract programmes, maintenance and defects liabilities, and changes in costs.

Within its portfolio of contracts in both the Europe Hub and Australia Hub, the Group has identified major sources of estimation uncertainty where it has made significant judgements on the recovery of income related to variations in scope, delays, and other claims, as well as whether penalties, such as liquidated damages, will be levied by customers. For recoveries recognised in respect of each judgement, they have been recorded on the basis that it is considered highly probable that a significant reversal of such revenues recognised will not occur in the next year. When determining whether a contract is onerous, the likelihood of the recovery of additional income is considered over the life of the contract. Where the receipt of income is probable, this is included in the Group's consideration of whether the contract is onerous. There are a range of factors influencing potential outcomes and, as such, the exact recoverable amounts are subject to change until agreements are finalised on these specific contracts.

The Group estimates that the possible outcomes impacting the revenue recognised in the financial year ended 31 March 2025 range from a potential gain of up to £20.9m to a potential risk of up to £9.7m, with a corresponding impact on gross margin of a potential gain of up to £20.9m and a potential risk of up to £16.4m. The Group estimates that the possible outcomes over the life of the contracts, which is particularly relevant when considering the extent to which any contract is onerous, range from a potential gain of up to £43.3m to a potential risk of up to £27.8m. These changes in outcomes may require reassessment of the cumulative gross margin recognised or judgement as to whether an onerous provision is required. The directors have assessed the range of possible outcomes based on information available to them at the date of approving the financial statements to the extent it provides evidence of conditions that existed at the balance sheet date. As with any judgement related to long-term contract accounting, these contracts are affected by uncertainties that are influenced by future events and, therefore, it may require revision as the contracts progress.

The Group's construction and services business revenue for the year was £3.8bn (FY24: £3.8bn) with an associated margin of 5.8 per cent (FY24: 8.5 per cent). Should margins reduce by 1 per cent, the impact of such a change across the Group's projects in delivery at the year end would be an impact on gross profit of £38.3m (FY24: £38.2m). Should revenues reduce by 1 per cent, and the associated costs reduce by 1 per cent, the impact on gross profit would be a reduction of £1.8m (FY24: £3.2m).

b) Disputes and claims (judgement and estimate)

There is a key judgement surrounding disputes and claims where management has determined the appropriate accounting treatment of disputed amounts, legal cases, and claims. Management's best judgement has been reflected in the accounting and reporting of disputed amounts, legal cases, and claims, but the actual future outcome may be different from this judgement.

An individual dispute currently disclosed within the consolidated financial statements that has a material impact on the Group is in respect of a contract terminated during the 2017 financial year. This matter is subject to an ongoing private arbitration with a final award not expected to be issued before April 2027.

2 Material accounting policies (continued)

2.27 Key judgements and estimation uncertainty (continued)

b) Disputes and claims (judgement and estimate) (continued)

A provision of £110.9m (AUD\$229.6m) (FY24: £137.9m (AUD\$266.2m)) is recognised by Laing O'Rourke Australia Construction Pty Ltd as at 31 March 2025 for this matter within the onerous contract provision (see note 24). This provision represents the directors' best estimate at the reporting date of the anticipated outflow, after discounting for the time value of money, once this claim is settled and reflects a weighted expected value of the different potential claim outcomes and is net of an on-account payment as explained below.

During the year, the Group made an on-account and without admission payment of AUD\$72m (£36m) to the counterparty in the arbitration against any liability of Laing O'Rourke Australia Construction Pty Ltd to the counterparty with respect to the final award in that arbitration, which resulted in a consequential reduction of the Group's provision. The consequential reduction has been partly offset by recent developments in the ongoing private arbitration.

The private arbitration is complicated and incorporates a number of claims and counterclaims between the parties involved. The provision represents the estimated net impact of the claims and counterclaims, because the final award will determine the settlement to be paid on a net basis. The amount recognised carries a high degree of estimation uncertainty and the outcome could be materially lower or higher than the best estimate, although a material movement in the provision is not expected within the next 12 months from the date of signing these financial statements. The Group's current expectation, based on the timetable for the private arbitration, is that the claim will not settle in FY26. Further clarity on the likely outcome of the arbitration is expected during the financial year ending 31 March 2027, with a final award under the arbitration now being received no earlier than April 2027.

The gross value of claims against the Group is significantly in excess of the amounts recognised, but the directors have concluded that disclosing this value is misleading given that large elements of the gross claim are accepted by the other party to be duplicative or are not expected to be awarded against the Group as part of the final arbitration outcome. The provision recognised as at 31 March 2025 represents a weighted average of a range of materially different potential outcomes, with the net provision recognised representing the directors' best estimate.

From time to time, the Group receives claims from subcontractors that it must evaluate in estimating the costs to complete on contracts and resolve as part of determining its final contract positions. Management bases its estimates of costs associated with such claims on its assessment of the expected outcome of each matter using the latest available information. There is inherent uncertainty associated with the estimates made by management, and any differences between these estimates and the eventual amounts settled may be material. However, given the extent of subcontractor claims at any given point in time, as is common within the sector, and as the quantum of amounts being claimed is not always known, it is not possible to provide any meaningful sensitivities of the estimates that have been made.

c) Exceptional items presentation (judgement)

Judgement has been used to determine the presentation of exceptional items, which relate to matters arising that are unusual and generally not expected to recur. The exceptional items arising in the year were:

- i) Legal costs relating to a one-off disputed contract in the Group's Australia Hub of £0.2m (FY24: £6.6m);
- ii) Redundancy costs incurred in the year of £nil (FY24: £5.6m);
- iii) An additional claims provision of £14.3m (FY24: £1.8m) related to this one-off disputed contract in the Group's Australia Hub;
- iv) A £4.2m unwind of the discount associated with the provision recognised related to this one-off disputed contract in the Group's Australia Hub (FY24: £4.3m);
- v) Closure costs relating to businesses in Australia and the UK of £0.1m (FY24: £2.0m); and
- vi) Defect costs concerning the Building Safety Act 2022 of £21.7m (FY24: £19.6m) which is net of associated insurance recoveries.

d) Provisions recognised in respect of rectification of defects (estimate) and reimbursement assets (judgement and estimate)

There is estimation uncertainty in assessing the provision recognised at the reporting date either to rectify the defects or settle claims received. The Group also recognises its best estimate of the amount the Group will be reimbursed by its insurance providers or others for the costs that will be incurred to rectify the defects or settle claims received, when the Group has made the judgement that reimbursement is virtually certain.

In the year ended 31 March 2025, costs in respect of the rectification of defects of £96.0m (FY24: £61.7m) were incurred and debited to provisions. As disclosed in note 24, as at 31 March 2025, the Group held defects provisions of £191.9m (FY24: £122.9m) in respect of such known defect rectification. Defect liabilities can arise on projects where the construction work finished a number of years ago and where the Group may not have access to the site to fully assess the costs of rectification or where the likely settlement amount for defects when a claim has been received may be hard to determine. This is particularly the case in respect of the claims recently received that have arisen as a result of changes introduced by the Building Safety Act 2022 and the Government's building safety pledge/Developer Remediation Contract where there is limited case law. Therefore, given the level of uncertainty, timing, and number of variables, it is difficult to provide meaningful sensitivity disclosures of the range of estimation uncertainty.

However, as an indication of the estimation uncertainty associated with this balance, a 10 per cent movement in the balance would have an impact on the consolidated income statement of £19.2m (FY24: £12.3m), although actual movements may be greater and the final outcome materially different to the amounts provided.

2 Material accounting policies (continued)

2.27 Key judgements and estimation uncertainty (continued)

d) Provisions recognised in respect of rectification of defects (estimate) and reimbursement assets (judgement and estimate) (continued)

In the year ended 31 March 2025, the Group recognised income of £64.4m (FY24: £11.3m) relating to the reimbursement of costs expected to be incurred in respect of the rectification of defects. This has been presented as a reduction to costs incurred by the Group in respect of these defects. As at 31 March 2025, the Group held an asset for the reimbursement of costs incurred in settling the defects provision of £95.8m (FY24: £31.4m) by the Group's insurers. The Group has considered reports outlining the root cause of the defects provided for and assessed the extent to which these are covered by the Group's insurance policies when determining the value of the reimbursement asset that the Group considers to be virtually certain of recovery. This is subject to estimation uncertainty as the final amount received will depend on the actual costs incurred in remediating defects or settling claims and the final assessment of the insurer's loss adjuster as to the amount that is subject to cover. However, any change in the asset held for the reimbursement of costs incurred is expected to be materially offset by a corresponding change in the provision held for costs in respect of the rectification of defects.

e) Going concern (judgement and estimate)

In preparing these consolidated financial statements using the going concern basis of accounting, management has considered the forecast future results and cash flows of the Group under a management case scenario and several downside scenarios (see the consolidated management report on pages 61 to 65). Forecast future results and cash flows include the following areas of estimation uncertainty:

- Work-winning for the Group;
- Construction activity including project margins and the working capital position;
- Support of the supply chain in terms of product material, labour supply, and flexibility in payment terms;
- Inflationary pressures;
- Timing and quantum of outcomes of the claims referred to in note 2.27 (b); and
- Availability of cross-Group funding arrangements.

Laing O'Rourke Australia is required to give advance notice to the counterparty referred to in note 2.27(b) of certain transactions that would amount to financial support of the broader Laing O'Rourke Group.

In order to form a conclusion on going concern and in determining that there is no material uncertainty that may cast significant doubt on the Group's going concern status, management has exercised judgement by analysing the past performance of the business, its existing portfolio of projects and order book, and its expectation of work-winning. In addition, it has drawn on its knowledge and expertise of key drivers of cash flow performance in the construction sector in the markets in which it operates to assess the forecast liquidity and covenant headroom under its committed financing facilities based on its severe but plausible

downside scenario, which at certain points are forecast to be limited under this scenario. Further details of this assessment and the key assumptions made are set out on pages 61 to 65.

f) Tax (judgement and estimate)

There is estimation uncertainty when determining the quantum of deferred tax assets to recognise at year end. Deferred tax assets are only recognised where it is probable that future taxable profits will be available, against which the asset can be utilised.

The recognised deferred tax assets include £101.7m (FY24: £108.2m) which relate to carried forward tax losses in relation to UK operations. The Group has concluded that these deferred tax assets will be recovered using the estimated future taxable income, which is based on the approved forecasts prepared by management, which are consistent with the forecasts used in the going concern assessment and incorporate climate-related estimates and assumptions. These forecasts fully reflect current UK tax laws that, in broad terms, restrict the offset of the carried forward tax losses to 50 per cent of the forecast period's profit and that the tax losses do not have an expiry date.

Deferred tax assets will be materially utilised over a period of up to 10 years from the balance sheet date. Should the approved forecast profits increase/reduce by 30 per cent in each year used in the utilisation calculation, it would take +/- three years to utilise the deferred tax asset. This sensitivity is in line with that used for the goodwill sensitivity referred to in note 12.

2 Material accounting policies (continued)

2.28 Other judgements and estimation uncertainty

a) Impairment of goodwill (estimate)

Determining whether goodwill is impaired requires an estimation of the recoverable amounts of the cash-generating units (CGUs) to which the goodwill has been allocated. The recoverable amount is determined using a value-in-use calculation, which requires an estimation to be made of the timing and amount of future cash flows expected to arise from the CGU, and a suitable discount rate in order to calculate the present value. The discount rate used, carrying value of goodwill, and further details of the impairment calculation are included in note 12.

As described further in note 12, the Group has performed an impairment test across all CGUs containing goodwill. Management has concluded that any reasonable updates to the estimates associated with these areas of the financial statements are not expected to result in material change.

b) Climate change (judgement and estimate)

In preparing the financial statements management has considered the impact of climate change. Potential impacts of climate change, which include increased intensity and frequency of weather events and stricter environmental legislation, have been considered by management, together with the Group's stated 2030 targets of reducing Scope 1 and 2 emission by 42 per cent and Scope 3, category 1 by 25 per cent from a 2023 baseline as well as a commitment to be a net zero company by 2050, to the extent these can be forecast at present. These considerations did not have a material impact on the financial reporting judgements and estimates. Climate change is not expected to have a significant impact on the Group's going concern assessment to March 2027.

Specific areas considered by management in assessing the impact of climate change included:

- Estimates of the future cash flows used in the impairment assessment of the carrying value of goodwill where the forecasts used include the impact of climate change to the extent that these can be forecast at present (see note 12);
- Long-term contract accounting assumptions, such as the forecast costs of a project and, as these progress, the estimated costs to complete and the allowance for rectification works (see note 2.27(d));
- The appropriateness of the estimated useful economic lives of the Group's property, plant, and equipment and right-of-use assets (see notes 16 and 17) where no significant changes are currently needed; and
- The recoverability of deferred tax assets recognised (see note 25) in respect of carried-forward losses in relation to the UK operations.

The Group continues to invest in new technologies and product development including a project to decarbonise manufactured concrete components used in construction. The costs of these projects are currently being expensed as incurred.

2.29 Company accounting policies

The principal Group accounting policies that are also applicable to the Company are as follows:

- 2.05 Revenue recognition;
- 2.12 Finance income/(expense);
- 2.14 Tax;
- 2.16 Property, plant, and equipment;
- 2.21 Cash and cash equivalents;
- 2.22 Borrowings and borrowing costs;
- 2.23 Trade and other payables; and
- 2.26 Share capital.

The accounting policies that are additional to those applied by the Group are as follows:

a) Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment. Costs that are incremental and directly attributable to the acquisition of investments are capitalised. There are no intercompany balances assessed as equity.

b) Other judgements and estimation uncertainty

Impairment of investments in subsidiaries (estimate)

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment may include such items as declines in revenues, earnings, or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the present carrying amount of an asset is not recoverable and that a reduction in the subsidiary's carrying value is to be recorded in the Company's income statement for the financial period.

3 Revenue

The Group presents a disaggregation of its revenue according to the primary geographical markets and sectors in which it operates.

There is no material difference between revenue by origin and revenue by destination.

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following geographical regions and major segments:

Group	United Kingdom ¹ 2025 £m	Australia 2025 £m	Rest of World 2025 £m	Total 2025 £m
Timing of revenue recognition				
At a point in time	350.0	0.4	12.8	363.2
Over time	2,147.2	1,679.9	110.0	3,937.1
Revenue including share of joint ventures and associates (note 30)	2,497.2	1,680.3	122.8	4,300.3
At a point in time	53.2	0.4	2.9	56.5
Over time	2,110.5	1,679.5	110.0	3,900.0
Group revenue	2,163.7	1,679.9	112.9	3,956.5

	Construction ¹ 2025 £m	Manufacturing 2025 £m	Plant hire 2025 £m	Services 2025 £m	Total 2025 £m
Timing of revenue recognition					
At a point in time	0.3	39.7	24.6	298.6	363.2
Over time	3,805.9	–	115.9	15.3	3,937.1
Revenue including share of joint ventures and associates (note 30)	3,806.2	39.7	140.5	313.9	4,300.3
At a point in time	0.3	29.8	24.6	1.8	56.5
Over time	3,805.6	–	79.1	15.3	3,900.0
Group revenue	3,805.9	29.8	103.7	17.1	3,956.5

1. Included within UK and Construction revenue is £11.3m relating to forward funding interest.

	United Kingdom ¹ 2024 £m	Australia 2024 £m	Rest of World 2024 £m	Total 2024 £m
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Timing of revenue recognition

At a point in time	344.3	0.2	27.8	372.3
Over time	2,379.5	1,481.7	93.9	3,955.1

Revenue including share of joint ventures and associates (note 30)

	2,723.8	1,481.9	121.7	4,327.4
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At a point in time	58.2	0.2	20.5	78.9
Over time	2,335.6	1,481.2	93.9	3,910.7

Group revenue	2,393.8	1,481.4	114.4	3,989.6
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	Construction ¹ 2024 £m	Manufacturing 2024 £m	Plant hire 2024 £m	Services 2024 £m	Total 2024 £m
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Timing of revenue recognition

At a point in time	–	59.3	22.8	290.2	372.3
Over time	3,813.4	0.1	119.6	22.0	3,955.1

Revenue including share of joint ventures and associates (note 30)

	3,813.4	59.4	142.4	312.2	4,327.4
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At a point in time	–	52.1	22.8	4.1	79.0
Over time	3,812.9	–	75.7	22.0	3,910.6

Group revenue	3,812.9	52.1	98.5	26.1	3,989.6
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1. Included within UK and Construction revenue is £8.4m relating to forward funding interest.

The Company revenue of £0.1m (FY24: £0.6m) relates to services provided in Jersey to its subsidiaries and is all recognised over time.

4 Trading analysis

This note seeks to provide additional value to the readers of these consolidated financial statements using some non-statutory disclosures, as explained below.

	Europe Hub 2025 £m	Australia Hub 2025 £m	Corporate centre 2025 £m	Total 2025 £m
Performance by Hub:				
Managed revenue*	2,960.2	1,680.2	10.0	4,650.4
Less: Inter-segment revenue*	(340.1)	–	(10.0)	(350.1)
Total revenue including share of joint ventures and associates*	2,620.1	1,680.2	–	4,300.3
Less: Share of joint ventures and associate revenue	(343.4)	(0.4)	–	(343.8)
Group revenue	2,276.7	1,679.8	–	3,956.5
Profit/(loss) before tax post-exceptional items	14.4	28.4	(1.3)	41.5
EBIT* post-exceptional items	49.0	29.6	(3.6)	75.0
EBITDA* post-exceptional items	93.3	51.1	(3.6)	140.8
Profit/(loss) before tax and exceptional items	36.1	47.2	(1.3)	82.0
EBIT* pre-exceptional items	70.7	44.2	(3.6)	111.3
EBITDA* pre-exceptional items	115.0	65.7	(3.6)	177.1

* For both FY25 and FY24, these are non-statutory disclosures. EBIT is defined as profit/(loss) from operations and EBITDA is defined as profit/(loss) from operations and adding back depreciation and amortisation. Inter-segment revenue is defined as revenue that arises from contracts between two entities within the Laing O'Rourke Corporation Limited Group. See note 30 for more details.

	Restated ¹ Europe Hub 2024 £m	Restated ¹ Australia Hub 2024 £m	Restated ¹ Corporate centre 2024 £m	Total 2024 £m
Performance by Hub:				
Managed revenue*	3,141.3	1,663.2	10.4	4,814.9
Less: Inter-segment revenue*	(295.8)	(181.3)	(10.4)	(487.5)
Total revenue including share of joint ventures and associates*	2,845.5	1,481.9	–	4,327.4
Less: Share of joint ventures and associate revenue	(337.3)	(0.5)	–	(337.8)
Group revenue	2,508.2	1,481.4	–	3,989.6
Profit/(loss) before tax post-exceptional items	(21.0)	40.4	(1.3)	18.1
EBIT* post-exceptional items	3.9	41.9	(5.8)	40.0
EBITDA* post-exceptional items	42.7	59.7	(5.7)	96.7
Profit/(loss) before tax and exceptional items	5.4	53.9	(1.3)	58.0
EBIT* pre-exceptional items	30.3	51.1	(5.8)	75.6
EBITDA* pre-exceptional items	69.1	68.9	(5.7)	132.3

1. FY24 pre- and post-exceptional EBIT, EBITDA, and profit/(loss) before tax have been restated to correct a £38.0m misclassification of costs between the Europe Hub and the corporate centre. No impact on the Group level results. FY24 pre-exceptional EBIT, in both the Europe and Australia Hubs, has been restated by £0.1m to correct rounding errors.

	Note	Pre- exceptional items 2025 £m	Exceptional items (note 5) 2025 £m	Total 2025 £m	Pre- exceptional items 2024 £m	Exceptional items (note 5) 2024 £m	Total 2024 £m
EBIT and EBITDA:							
EBIT		111.3	(36.3)	75.0	75.6	(35.6)	40.0
Depreciation	6	61.1	–	61.1	50.8	–	50.8
Amortisation	6	4.7	–	4.7	5.9	–	5.9
EBITDA		177.1	(36.3)	140.8	132.3	(35.6)	96.7

5 Exceptional items

Group	2025 £m	2024 £m
Cost of sales		
Legal costs	–	2.8
Claims provision	13.7	–
Defect costs related to the Building Safety Act 2022	21.7	19.6
Closure costs	0.1	2.0
Administrative expenses		
Legal costs	0.2	3.8
Claims provision	0.6	1.8
Redundancy costs	–	5.6
Exceptional loss before interest and tax	36.3	35.6
Exceptional finance expense	4.2	4.3
Exceptional loss before tax	40.5	39.9
Income tax credit on exceptional items	(6.9)	(10.6)
Exceptional loss after tax	33.6	29.3

None of the exceptional items above relate to the Company.

Legal costs

Exceptional costs of £0.2m (FY24: £6.6m) were recognised in the year, which relate to legal costs incurred in the Australia Hub regarding a disputed contract; see note 24. These costs have been treated as exceptional as they relate to unusual circumstances that in the normal course of business are unlikely to recur. The dispute is expected to be resolved through a private arbitration with a final award not expected before April 2027.

Redundancy costs

Exceptional costs of £nil (FY24: £5.6m) were recognised in the year, which relate to redundancy costs in the UK of £nil (FY24: £5.2m) and in the Australia Hub of £nil (FY24: £0.4m).

Defect costs

Laing O'Rourke continues to respond to legacy defect claims that have arisen as a result of the changes introduced by the Building Safety Act 2022 (which received royal assent on 28 April 2022) and the Government's building safety pledge/Developer Remediation Contracts. The Building Safety Act has extended the limitation period to bring a claim under the Defective Premises Act from six years to 15 years prospectively and 30 years retrospectively. The extension to limitation periods may result in additional liabilities for the Group in the future, in excess of the costs recognised to date, the extent of which cannot be assessed by Laing O'Rourke as we do not have access to the information that would allow a detailed assessment of each potential obligation. Developers may seek to recover costs from main contractors (e.g. Laing O'Rourke) but until those claims are raised it is not possible to determine the full extent of the liability and/or work required on our behalf. A provision is made when there is a probable

obligation and outflow, and the Group can reliably estimate the cost relating to its obligation. If costs are considered possible or cannot be reliably estimated, then they are considered to be contingent liabilities (see note 28).

Provisions of this nature are inherently uncertain as the estimated costs are based on a number of key estimates and assumptions which include, but are not limited to, the extent of defects that may exist, the cost of rectifying these defects and the consideration of what was considered to comply with building safety regulations at the time these buildings were constructed. These estimates are also inherently uncertain due to the highly complex and bespoke nature of each building. The directors have used various externally available information (including Building Safety Fund cost information) as a basis for the estimated remedial costs for the fire safety claims received to date.

The actual costs will ultimately be subject to the progression of investigative works, remedial works carried out, settlements of ongoing claims, and the evolution of current legislation and regulation which will impact the scope of any remediation works required and therefore it is impracticable to provide a quantitative analysis of the aggregated estimates across the Group for these fire safety-related claims. There are also potential avenues to recovering a portion of these costs from third parties, which have not been recognised by the Group at this stage.

Within the fire defect population, there are claims received under the retrospective Building Safety Act (BSA) legislation introduced in 2022 (refer to note 24) for which the Group is carrying a defect provision amounting to £145.2m at 31 March 2025 (FY24: £68.6m). If the forecast remediation costs relating to BSA claims received to date were 10 per cent higher/lower than provided, the pre-tax exceptional charge in the Group's income statement would increase/decrease by £14.5m before any assumed insurance recovery. However, if further BSA claims are notified, this could also increase the required provision, but the potential quantity and timing of this change cannot be readily determined without further claims being made against the Group and, subsequently, the necessary investigative work being conducted on these claims. The scope of buildings and remediation works to be considered may also change as legislation and regulations continue to evolve relating to BSA.

Exceptional costs for defects brought about as a result of these matters in the United Kingdom were £21.7m (FY24: £19.6m), which is the net of provisions recognised of £80.2m and other income relating to insurance recoveries of £58.5m.

Claims provision and exceptional finance expense

Exceptional costs of £18.5m (FY24: £6.1m) were recognised in the year, which relate to a claim provision recognised in the Australia Hub, regarding a disputed contract; see note 24. Included within this amount is £4.2m (FY24: £4.3m) relating to the unwind of the discount associated with the provision recognised in FY23.

Closure costs

Exceptional costs of £0.1m (FY24: £2.0m) were recognised in the year, which relate to the closure of a subsidiary in the Europe Hub of £nil (FY24: £1.6m) and in the Australia Hub of £0.1m (FY24: £0.4m). Included within the £0.1m (FY24: £2.0m) cost in the year are £nil (FY24: £0.6m) of impairments of property, plant, and equipment; see note 16 for further details.

6 Profit/(loss) from operations

Profit/(loss) before interest and tax is stated after charging/(crediting):			
Group	Note	2025 £m	Restated 2024 £m
Staff costs ¹	7	848.4	859.3
Depreciation of property, plant, and equipment	16	22.8	20.6
Depreciation of right-of-use assets	17	38.3	30.2
Short-term lease rentals and short-term hires:			
Property, plant, and equipment		2.0	3.4
Amortisation of other intangible assets	12	4.7	5.9
Loss on disposal of property, plant, and equipment, and right-of-use assets		0.8	3.2
Government grants		(0.2)	–
Foreign exchange gains		(5.1)	(0.3)
Cost of inventories recognised as an expense		28.0	35.9
Impairment of property, plant, and equipment (exceptional)	16	–	0.6
Auditors' remuneration (see below)		6.3	6.6

1. Staff costs for FY24 have been restated from £841.6m to £859.3m to correct an omission of an accrual for wages and salaries, and to include the cost of the employee pension sacrifice.

Loss before interest and tax is stated after charging:			
Company	Note	2025 £m	2024 £m
Staff costs		0.6	0.4
Auditors' remuneration		0.1	0.1

Auditors' remuneration			
Group	Note	2025 £m	2024 £m
Fees payable to the Company's auditor for the audit of:			
The Group and its UK subsidiaries		5.1	5.4
Overseas subsidiaries		1.2	1.2
Total audit fees		6.3	6.6
Fees payable to the Company's auditor and its associates for other services:			
Non-audit services		–	–
Total non-audit fees		–	–
Total fees		6.3	6.6

Included within the FY25 Group audit fee of £6.3m is £0.8m of Group audit fee overruns in respect of FY24 (FY24: £1.6m in respect of FY23).

7 Staff costs and employee numbers

Number of employees		2025 Number	2024 Number
Group			
The average number of employees (including directors) during the financial year was:			
Europe Hub		7,104	8,083
Australia Hub		2,938	2,878
Total number of employees		10,042	10,961
Company			
The average number of employees (including directors) during the financial year was:			
Corporate Centre		6	6
Total number of employees		6	6

Aggregate remuneration and related costs, including directors		2025 £m	Restated ¹ 2024 £m
Group			
Salaries ¹		567.9	556.7
Wages		180.5	202.9
Social security costs		51.2	53.1
Other pension costs		48.8	46.6
		848.4	859.3
Company			
Salaries		0.6	0.4
		0.6	0.4

1. FY24 Group salaries have been restated from £539.0m to £556.7m to correct an omission of an accrual, and to include the cost of the employee pension sacrifice.

At 31 March 2025, £3.8m (FY24: £3.6m) was payable in respect of the Group's defined contribution schemes and was included in other payables (note 23).

7 Staff costs and employee numbers (continued)

Transactions with key management personnel

The Group's key management personnel during the financial year include the 12 directors and five other individuals (FY24: 11 directors and six other individuals) identified to be key management personnel during the year, due to the fact that they are members of the Group Executive Committee, or statutory directors of other Group undertakings not disclosed in directors' remuneration.

The compensation of the five key management personnel identified as other individuals was as follows:

	2025 £m	Restated ¹ 2024 £m
Salaries and other short-term employee benefits	2.6	3.0

1. FY24 salaries and other short-term employee benefits have been restated from £2.7m to £3.0m to correct an omission of a prior year accrual.

The total remuneration of the 12 directors was as follows:

	2025 £m	Restated ¹ 2024 £m
Group		
Salaries and other short-term benefits ¹	5.3	6.2
Company		
Salaries and other short-term benefits	0.6	0.4

1. FY24 Group salaries and other short-term employee benefits have been restated from £5.2m to £6.2m to correct an omission of a prior year accrual.

No post-retirement benefits were paid on behalf of directors (FY24: £nil). The total compensation for all key management personnel (including directors) is £7.9m (FY24: £9.2m). The remuneration for some of the directors of the Company is borne by Laing O'Rourke Services Limited, a subsidiary undertaking of the Company, and is therefore excluded from the Company directors' remuneration disclosed above.

8 Other operating income

	2025 £m	2024 £m
Group		
Rents received	0.1	0.1
Research and development expenditure credit	21.4	14.6
Other operating income	0.1	0.3
	21.6	15.0

The research and development expenditure credit of £21.4m (FY24: £14.6m) is based on an assessment of recoverability from HMRC.

9 Finance income

	2025 £m	2024 £m
Group		
Bank interest	7.9	9.2
Other interest and similar income	2.0	2.2
	9.9	11.4

10 Finance expense

	2025 £m	2024 £m
Group		
Interest payable on bank and other loans and overdrafts	10.7	5.2
Interest payable on leases	17.9	10.7
Other interest payable and similar charges including forward funding interest	10.6	13.1
Total before exceptional costs	39.2	29.0
Exceptional costs (note 5, note 24)	4.2	4.3
Total post-exceptional costs	43.4	33.3

11 Tax

	2025 £m	2024 £m
Jersey corporation tax		
Current tax on profit for the year	–	–
Foreign tax		
Current tax on profit for the year	4.0	2.2
Adjustments in respect of prior years	(0.5)	(1.4)
Total current tax charge	3.5	0.8
Net origination of temporary differences – current year	6.7	8.7
Net origination of temporary differences – prior years	1.8	1.0
Total deferred tax charge	8.5	9.7
Total tax charge	12.0	10.5

11 Tax (continued)

The Jersey tax rate is 0 per cent (FY24: 0 per cent). The Group has elected to use the UK tax rate in the reconciliation below as this is considered the most meaningful to stakeholders. The overall charge (FY24: charge) for the year of £12.0m (FY24: £10.5m) is explained relative to the UK statutory rate below:

	2025 £m	2024 £m
Total tax reconciliation		
Profit before tax	41.5	18.1
Tax at the UK corporation tax rate of 25 per cent (FY24: 25 per cent)	10.4	4.5
Effects of		
• higher overseas tax rates	1.7	2.5
• (income not subject to tax)/non-deductible expenditure	(6.8)	3.0
• adjustments in respect of prior years	1.3	(0.4)
• tax effect of joint ventures	0.7	(0.4)
• unrecognised deferred tax assets	5.5	1.8
• other items	(0.8)	(0.5)
Total tax charge	12.0	10.5

A total Group tax charge of £12.0m (FY24: £10.5m) arises for the year on the total Group profit of £41.5m (FY24: £18.1m). The total tax charge for the year includes an exceptional tax credit of £6.9m (FY24: £10.6m) in relation to tax-allowable exceptional expenditure as described in note 5.

As a group with worldwide operations, Laing O'Rourke is subject to several factors that may affect future tax charges, principally the levels and mix of profitability in different jurisdictions, transfer pricing regulations, tax rates imposed, and tax regime reforms.

On 11 July 2023, Finance (No.2) Act 2023 was enacted in the UK, introducing a global minimum effective tax rate of 15 per cent. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. A Pillar 2 Effective Tax Rate (ETR) is calculated for every jurisdiction in which the Group operates and Pillar 2 Income Taxes will arise when the Pillar 2 ETR is less than 15 per cent. Pillar 2 Income Taxes could be payable in the UK, or the local jurisdiction if it has introduced a Qualifying Domestic Minimum Top-up Tax. Management has performed an assessment of the impact of the UK's Pillar 2 rules based on our FY25 data and no Pillar 2 Income Taxes are expected to arise for most jurisdictions in which the Group operates. Laing O'Rourke is continuing to monitor potential Pillar 2 impacts as further guidance is published by the OECD and territories implement legislation to enact the rules. During FY25, several territories – namely Jersey, Guernsey, and the UAE – adopted similar 'Pillar 2' legislation to introduce a minimum effective tax rate of 15 per cent, fulfilling their commitment to enact the OECD's global minimum tax framework for large multinational groups. These minimum effective tax rates will be applicable from the accounting period beginning 1 April 2025 (FY26) and could see the Group incur additional tax liabilities in these territories. Based on the Group's FY25

trading results, management reasonably estimates the effect of any additional tax liabilities to be immaterial.

The Group has applied the exemption under the IAS 12 Taxes amendment for recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

Tax effects relating to each component of comprehensive income

	2025			2024		
	Before-tax amount £m	Tax expense £m	Net-of-tax amount £m	Before-tax amount £m	Tax expense £m	Net-of-tax amount £m
Exchange differences on translating foreign operations	(11.8)	–	(11.8)	(7.1)	–	(7.1)
Realised FCTR due to dissolution of overseas branches	–	–	–	1.5	–	1.5
	(11.8)	–	(11.8)	(5.6)	–	(5.6)

12 Intangible assets

	Goodwill £m	Computer software and licences £m	Development costs ¹ £m	Total £m
Cost				
At 1 April 2024	323.1	42.0	15.7	380.8
Additions	–	0.4	8.1	8.5
Write off to income statement ²	–	–	(2.2)	(2.2)
Transfers between categories	–	7.9	(7.9)	–
Transfers to property, plant, and equipment	–	–	(0.4)	(0.4)
Exchange differences	(2.8)	(0.3)	–	(3.1)
At 31 March 2025	320.3	50.0	13.3	383.6
Accumulated amortisation and impairment				
At 1 April 2024	2.4	33.7	–	36.1
Amortisation for the year	–	4.7	–	4.7
Exchange differences	(0.2)	(0.2)	–	(0.4)
At 31 March 2025	2.2	38.2	–	40.4
Net book value at 31 March 2025	318.1	11.8	13.3	343.2

1. Development costs include assets under construction. As assets are completed and ready for use they are transferred to computer software and licences and property, plant, and equipment and amortisation or depreciation will commence. As the assets are not yet available for use, management have conducted an impairment review but no impairment was necessary.

2. During the year £2.2m was written off to the income statement for development costs that were no longer deemed to be capitalisable.

12 Intangible assets (continued)

	Goodwill £m	Computer software and licences £m	Development costs £m	Total £m
Cost				
At 1 April 2023	324.9	43.3	9.9	378.1
Additions	–	6.9	5.8	12.7
Disposals	–	(7.8)	–	(7.8)
Exchange differences	(1.8)	(0.4)	–	(2.2)
At 31 March 2024	323.1	42.0	15.7	380.8
Accumulated amortisation and impairment				
At 1 April 2023	2.5	35.4	–	37.9
Amortisation for the year	–	5.9	–	5.9
Disposals	–	(7.3)	–	(7.3)
Exchange differences	(0.1)	(0.3)	–	(0.4)
At 31 March 2024	2.4	33.7	–	36.1
Net book value at 31 March 2024	320.7	8.3	15.7	344.7

Impairment tests for cash-generating units containing goodwill

The following units have significant amounts of goodwill	2025 £m	2024 £m
Australia	36.9	39.5
United Kingdom	281.2	281.2
	318.1	320.7

The Group owns several engineering, construction, manufacturing, and specialist services companies, which combine to provide clients with a comprehensive investment, development, and management capability and due to the set up of the approach to market, management is of the view that the UK cash-generating unit (CGU) and Australia CGU are the smallest groups of assets generating cash inflows that are largely independent of the cash inflows from other assets. Therefore, an impairment test is performed for the UK entities as a whole given that all UK entities operate as one business with combined reporting. A separate impairment test is performed for the Australia entities as a whole given that all Australia entities operate as one business with combined reporting.

The recoverable amount of goodwill attached to each CGU is determined based on value-in-use calculations in accordance with IAS 36, Impairment of Assets. Each CGU calculation uses cash flow projections based on four-year financial budgets approved by the Board. The CGU calculation uses a perpetual growth rate of two per cent based on industry data (FY24: two per cent), discounted at the Group's estimated pre-tax weighted average cost of capital of 12.6 per cent (FY24: 14.6 per cent) for the UK CGU and 14.1 per cent (FY24: 15.6 per cent) for

the Australia CGU. Budgeted gross margins are based on past performance, order book, and management's market expectations. The weighted average cost of capital is an estimate based on that of listed industry competitors, adjusted for differences in capital structures and specific considerations.

In the UK, assumed revenue growth is 7 per cent for FY26, 16 per cent for FY27, 14 per cent for FY28, and 7 per cent for FY29, and gross margin is assumed to increase from 7 per cent in FY26 to 10 per cent in FY29. Overheads are assumed to remain stable during the forecast period at approximately 4.9 per cent of revenue. For the Australia CGU, assumed revenue growth is a decrease of 22 per cent for FY26, and 4 per cent growth per annum for FY27 through to FY29. Gross margin is assumed to increase from 8 per cent in FY26 to 10 per cent in FY29. Overheads are assumed to remain stable during the forecast period at approximately 4.4 per cent of revenue.

Sensitivity analysis, including the potential impact of inflation, supply chain disruption, and climate change, has been performed on the goodwill in relation to each CGU by changing the key assumptions applicable to each CGU. In the view of the directors there is not a reasonably foreseeable change in a key assumption that would trigger an impairment charge.

Amortisation charge

The amortisation charges in respect of computer software and licences are recognised in administrative expenses in the income statement.

13 Disposals and dissolutions, and a creditors' voluntary liquidation**Disposals**

The disposal of Laing O'Rourke Joinery LLC was completed on 31 May 2024, recognising a £3.5m profit on disposal.

Dissolutions

Coventry Urban Regeneration Limited and Explore Investments (No.1) Limited were dissolved on 16 July 2024.

Explore Living Balls Park Limited was dissolved on 30 July 2024.

R O'Rourke & Son Maynooth Limited was dissolved on 26 August 2024.

Cellence Plus Limited and Explore Living Property Management Limited were dissolved on 18 February 2025.

Laing O'Rourke Manufacturing Limited was dissolved on 25 February 2025.

Expanded Structures Limited, Laing O'Rourke Manufacturing Holdings Limited, and Laing O'Rourke Properties (Erith) Limited have all commenced with voluntary strike off applications.

Creditors' voluntary liquidation

On 20 February 2025, Laing O'Rourke Construction South Limited, a wholly owned subsidiary of the Group, entered into a creditors' voluntary liquidation. The subsidiary, including its assets and liabilities, were derecognised from the Group on that date.

13 Disposals and dissolutions, and a creditors' voluntary liquidation (continued)

The profit on disposal of the subsidiary of £14.0m represents the net liabilities of Laing O'Rourke Construction South Limited at the time of entering into liquidation, less those liabilities that were transferred to Laing O'Rourke Plc, its parent entity, on liquidation.

	2025 £m
Disposal of Laing O'Rourke Joinery LLC	3.5
Creditors' voluntary liquidation of Laing O'Rourke Construction South Limited	14.0
Disposal of Cellence Plus Limited	(0.8)
Profit on disposal of subsidiaries	16.7

In FY24, the loss of £1.5m related to the disposal of Laing O'Rourke Courts Pty (Australia Hub).

14 Investments in subsidiaries

Company	Subsidiary undertaking shares £m
Cost	
At 1 April 2023 and 2024 and 31 March 2025	494.9
Impairment	
At 1 April 2023 and 2024	16.0
Charge for the year	0.3
At 31 March 2025	16.3
Net book value	
At 31 March 2025	478.6
At 31 March 2024	478.9

The carrying value of the individual investments has been subject to an annual impairment review based upon their underlying net assets or their forecast cash flow for future years. The impairment relates to provision for diminution in value of subsidiary undertakings down to a value that is supported by their net asset position or their forecast cash flows at 31 March 2025.

All of the subsidiary companies have been included in the consolidated financial statements. The details of the directly held subsidiaries, all of which are unlisted, are as follows:

Name, country of incorporation, and principal activities	2025 £m	2024 £m
Laing O'Rourke Australia Holdings Limited, Jersey, holding of investments	82.3	82.3
Laing O'Rourke India Holdings Limited, Jersey, holding of investments	–	0.3
Laing O'Rourke Insurance Limited, Guernsey, underwriting insurance	25.0	25.0
Laing O'Rourke Ireland Holdings Limited, Jersey, holding of investments	0.0	0.0

Laing O'Rourke Middle East Holdings Limited, Jersey, holding of investments	5.8	5.8
Laing O'Rourke Treasury Limited, Jersey, financing	21.6	21.6
O'Rourke Investments Holdings (UK) Limited, UK, holding of investments	185.7	185.7
Suffolk Partners (Three) Limited, British Virgin Islands, financing	158.2	158.2
	478.6	478.9

Please refer to note 37 for further detail of the Group's principal subsidiaries, joint arrangements, and associates.

15 Investments in joint ventures and associates and loans to joint ventures

	Joint venture equity investments £m	Associate equity investments £m	Loans to joint ventures £m	Total £m
At 1 April 2024	9.1	0.8	8.0	17.9
Capital injections in equity investments	0.3	–	–	0.3
Exchange differences	(0.3)	–	–	(0.3)
At 31 March 2025	9.1	0.8	8.0	17.9
Share of results for the year after tax	(1.6)	(0.6)	–	(2.2)
Distributions received	(0.8)	–	–	(0.8)
Net book value at 31 March 2025	6.7	0.2	8.0	14.9
At 1 April 2023	6.2	1.2	8.0	15.4
Capital injections in equity investments	3.3	–	–	3.3
Exchange differences	0.1	(0.2)	–	(0.1)
At 31 March 2024	9.6	1.0	8.0	18.6
Share of results for the year after tax	2.0	(0.2)	–	1.8
Distributions received	(2.5)	–	–	(2.5)
Net book value at 31 March 2024	9.1	0.8	8.0	17.9

The Group's share of joint venture and associate equity investments and loans to joint ventures is presented above. IFRS 11, Joint Arrangements requires the following presentation adjustments:

- Where the Group has already accounted for an obligation to fund net liabilities of a joint venture or associate, this is deducted from loans made to the joint venture or associate; and
- Where the Group's obligation to fund net liabilities of a joint venture or associate exceeds the amount loaned, a provision is recorded (see note 24).

15 Investments in joint ventures and associates and loans to joint ventures (continued)

The Group's investments in joint ventures and associates are presented in the statement of financial position as:

	2025 £m	2024 £m
Investments in joint ventures and associates	12.5	13.2
Loans to joint ventures	8.0	8.0
Provisions (note 24 within 'other provisions')	(5.6)	(3.3)
	14.9	17.9

The loan to joint ventures is unsecured, attracts interest at a fixed rate of 11.74 per cent, has no fixed date of repayment, and is repayable on demand.

The principal joint ventures and associates are shown in note 37. Each joint venture and associate has share capital consisting solely of ordinary shares, which are held directly by the Group. Each joint venture and associate is a private company and there is no quoted market price available for its shares.

Set out below is the summarised financial information for the joint ventures and associates of the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and associates and not Laing O'Rourke Corporation Limited's share of these amounts. The amounts have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policies.

	Emirates Precast Construction LLC 2025 £m	Health Montreal CJV Limited Partnership 2025 £m	Alder Hey (Special Purpose Vehicle) Limited 2025 £m	Explore Transport Limited 2025 £m	BYLOR Services Limited 2025 £m	Presien Holdings Pty Limited 2025 £m	Total 2025 £m
Revenue	24.6	–	–	73.5	593.6	1.5	693.2
Depreciation and amortisation	(0.2)	–	–	(8.2)	–	–	(8.4)
Other (expenses)/income	(22.2)	(6.2)	0.5	(62.0)	(593.6)	(3.7)	(687.2)
Operating (loss)/profit	2.2	(6.2)	0.5	3.3	–	(2.2)	(2.4)
Finance income	0.2	0.4	7.5	–	–	–	8.1
Finance expense	–	–	(7.8)	(2.4)	–	–	(10.2)
(Loss)/profit before tax	2.4	(5.8)	0.2	0.9	–	(2.2)	(4.5)
Tax expense	–	–	(0.1)	(0.2)	–	–	(0.3)
(Loss)/profit after tax	2.4	(5.8)	0.1	0.7	–	(2.2)	(4.8)

	Emirates Precast Construction LLC 2025 £m	Health Montreal CJV Limited Partnership 2025 £m	Alder Hey (Special Purpose Vehicle) Limited 2025 £m	Explore Transport Limited 2025 £m	BYLOR Services Limited 2025 £m	Presien Holdings Pty Limited 2025 £m	Total 2025 £m
Other comprehensive income/(expense)	–	–	–	(1.0)	–	–	(1.0)
Total comprehensive income/(expense)	–	–	–	(0.3)	–	–	(0.3)
Dividends paid	(1.7)	–	–	(0.3)	–	–	(2.0)
Non-current assets							
Investments	–	–	–	0.8	–	–	0.8
Goodwill	–	–	–	–	–	0.5	0.5
Property, plant, and equipment	0.8	–	–	45.3	–	0.1	46.2
Other non-current assets	1.4	–	103.7	–	–	2.4	107.5
Current assets							
Cash and cash equivalents	4.0	3.3	21.2	4.4	42.9	0.8	76.6
Other current assets	13.0	8.0	4.1	15.9	70.0	0.2	111.2
Total assets	19.2	11.3	129.0	66.4	112.9	4.0	342.8
Current liabilities							
Borrowings	–	–	–	(2.7)	–	–	(2.7)
Other current liabilities	(7.1)	(22.3)	(8.6)	(15.7)	(112.8)	(1.8)	(168.3)
Non-current liabilities							
Borrowings	–	–	(120.6)	(27.9)	–	–	(148.5)
Other non-current liabilities	(1.5)	–	–	(4.2)	–	(1.3)	(7.0)
Total liabilities	(8.6)	(22.3)	(129.2)	(50.5)	(112.8)	(3.1)	(326.5)
Net assets/(liabilities)	10.6	(11.0)	(0.2)	15.9	0.1	0.9	16.3
Financial commitments							
Financial commitments	–	–	–	–	–	–	–
Capital commitments							
Capital commitments	–	–	–	–	–	–	–

Please refer to note 37 for details of the place of business for principal joint ventures and associates.

15 Investments in joint ventures and associates and loans to joint ventures (continued)

	Emirates Precast Construction LLC 2024 £m	Health Montreal Collective CJV Limited Partnership 2024 £m	Alder Hey (Special Purpose Vehicle) Limited 2024 £m	Explore Transport Limited ¹ 2024 £m	BYLOR Services Limited 2024 £m	Presien Holdings Pty Limited 2024 £m	Total 2024 £m
Revenue	18.2	–	2.3	87.8	570.3	1.9	680.5
Depreciation and amortisation	(0.2)	–	–	(7.9)	–	–	(8.1)
Other expenses	(18.0)	(0.6)	(3.5)	(72.0)	(570.3)	(2.8)	(667.2)
Operating profit/(loss)	–	(0.6)	(1.2)	7.9	–	(0.9)	5.2
Finance income	0.1	0.6	8.1	–	–	–	8.8
Finance expense	–	–	(7.6)	(2.0)	–	–	(9.6)
Profit/(loss) before tax	0.1	–	(0.7)	5.9	–	(0.9)	4.4
Tax expense	–	–	–	(1.5)	–	–	(1.5)
Profit/(loss) after tax	0.1	–	(0.7)	4.4	–	(0.9)	2.9
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income/(expense)	0.1	–	(0.7)	4.4	–	(0.9)	2.9
Dividends paid	(1.3)	–	–	(3.9)	–	–	(5.2)

1. This includes the results of Prigmore Haulage Limited from 4 August 2023 when Explore Transport Limited acquired 70 per cent of its ordinary shares.

	Emirates Precast Construction LLC 2024 £m	Health Montreal Collective CJV Limited Partnership 2024 £m	Alder Hey (Special Purpose Vehicle) Limited 2024 £m	Explore Transport Limited ¹ 2024 £m	BYLOR Services Limited 2024 £m	Presien Holdings Pty Limited 2024 £m	Total 2024 £m
Non-current assets							
Investments	–	–	–	1.1	–	–	1.1
Goodwill	–	–	–	–	–	0.4	0.4
Property, plant, and equipment	0.5	–	–	39.6	–	0.1	40.2
Other non-current assets	1.3	–	103.2	–	–	2.1	106.6
Current assets							
Cash and cash equivalents	4.2	1.3	21.7	4.2	44.8	0.6	76.8
Other current assets	9.7	11.2	1.9	15.2	68.3	0.5	106.8
Total assets	15.7	12.5	126.8	60.1	113.1	3.7	331.9
Current liabilities							
Borrowings	–	–	–	(2.3)	–	–	(2.3)
Other current liabilities	(4.0)	(19.0)	(3.3)	(15.0)	(113.1)	(0.4)	(154.8)
Non-current liabilities							
Borrowings	–	–	(120.3)	(22.7)	–	–	(143.0)
Other non-current liabilities	(1.6)	–	(3.2)	(3.5)	–	–	(8.3)
Total liabilities	(5.6)	(19.0)	(126.8)	(43.5)	(113.1)	(0.4)	(308.4)
Net assets/(liabilities)	10.1	(6.5)	–	16.6	–	3.3	23.5
Financial commitments	–	–	–	–	–	–	–
Capital commitments	–	–	–	–	–	–	–

1. This includes the results of Prigmore Haulage Limited from 4 August 2023 when Explore Transport Limited acquired 70 per cent of its ordinary shares.

16 Property, plant, and equipment

Group	Land and buildings £m	Plant £m	Equipment £m	Vehicles £m	Total ¹ £m
Cost					
At 1 April 2024	52.8	191.9	126.9	2.8	374.4
Additions	0.1	5.0	35.4	–	40.5
Disposals	–	(16.1)	(7.7)	–	(23.8)
Transfer between categories	0.2	–	(0.2)	–	–
Transfer from intangible assets	–	–	0.4	–	0.4
Transfer from right-of-use assets ²	–	14.3	–	–	14.3
Other	(2.9)	(2.4)	(0.2)	(0.1)	(5.6)
Exchange differences	(1.1)	–	(7.7)	–	(8.8)
At 31 March 2025	49.1	192.7	146.9	2.7	391.4
Accumulated depreciation					
At 1 April 2024	24.2	113.3	67.6	2.2	207.3
Depreciation charge for the year	1.9	9.0	11.7	0.2	22.8
Disposals	–	(12.0)	(6.0)	–	(18.0)
Transfer between categories	0.2	–	(0.2)	–	–
Transfer from right-of-use assets ²	–	4.8	–	–	4.8
Other	(1.2)	(2.2)	0.9	(0.1)	(2.6)
Exchange differences	(0.7)	–	(3.1)	–	(3.8)
At 31 March 2025	24.4	112.9	70.9	2.3	210.5
Net book value at 31 March 2025	24.7	79.8	76.0	0.4	180.9

1. As at 31 March 2025, property, plant, and equipment included £nil disclosed on the statement of financial position as assets held for sale.

2. Assets that are purchased on finance (e.g. hire purchase) and meet the definition of a right-of-use asset are subsequently transferred to property, plant, and equipment at the end of the lease.

Group	Land and buildings £m	Plant £m	Equipment £m	Vehicles £m	Total ¹ £m
Cost					
At 1 April 2023	54.0	98.3	107.3	2.5	262.1
Additions	1.3	14.8	27.7	–	43.8
Disposals	(1.7)	(13.8)	(7.3)	(0.1)	(22.9)
Transfer between categories	–	(2.9)	2.9	–	–
Transfer from right-of-use assets ²	–	95.5	–	0.3	95.8
Other	(0.1)	–	–	–	(0.1)
Exchange differences	(0.7)	–	(3.7)	0.1	(4.3)
At 31 March 2024	52.8	191.9	126.9	2.8	374.4
Accumulated depreciation					
At 1 April 2023	23.5	64.4	64.8	2.0	154.7
Depreciation charge for the year	1.8	9.0	9.6	0.2	20.6
Impairment ³	–	0.6	–	–	0.6
Disposals	(1.7)	(11.1)	(5.9)	(0.1)	(18.8)
Transfer between categories	1.0	(1.9)	0.9	–	–
Transfer from right-of-use assets ²	–	52.3	–	0.1	52.4
Exchange differences	(0.4)	–	(1.8)	–	(2.2)
At 31 March 2024	24.2	113.3	67.6	2.2	207.3
Net book value at 31 March 2024	28.6	78.6	59.3	0.6	167.1

1. As at 31 March 2024, property, plant, and equipment included £2.0m disclosed on the statement of financial position as assets held for sale.

2. Assets that are purchased on finance (e.g. hire purchase) and meet the definition of a right-of-use asset are subsequently transferred to property, plant, and equipment at the end of the lease.

3. This relates to the impairment of assets held within the Glass Reinforced Concrete business which ceased to trade during FY24.

16 Property, plant, and equipment (continued)

Company	Furniture, fixtures, and office equipment £m	Computer hardware £m	Total £m
Cost			
At 1 April 2024	0.6	0.1	0.7
At 31 March 2025	0.6	0.1	0.7
Accumulated depreciation			
At 1 April 2024	0.3	0.1	0.4
Depreciation charge for the year	–	–	–
At 31 March 2025	0.3	0.1	0.4
Net book value at 31 March 2025	0.3	–	0.3

Company	Furniture, fixtures, and office equipment £m	Computer hardware £m	Total £m
Cost			
At 1 April 2023	0.6	0.1	0.7
At 31 March 2024	0.6	0.1	0.7
Accumulated depreciation			
At 1 April 2023	0.2	0.1	0.3
Depreciation charge for the year	0.1	–	0.1
At 31 March 2024	0.3	0.1	0.4
Net book value at 31 March 2024	0.3	–	0.3

17 Right-of-use assets

Group	Land and buildings £m	Plant £m	Equipment £m	Vehicles £m	Total £m
Cost					
At 1 April 2024	140.0	131.6	–	17.4	289.0
Additions	24.3	42.5	0.9	5.9	73.6
Disposals	(13.8)	(2.7)	–	–	(16.5)
Transfer to property, plant, and equipment ¹	–	(14.3)	–	–	(14.3)
Other movements	0.3	–	–	–	0.3
Exchange differences	(3.0)	(2.1)	–	–	(5.1)
At 31 March 2025	147.8	155.0	0.9	23.3	327.0
Accumulated depreciation					
At 1 April 2024	55.3	21.3	–	11.8	88.4
Depreciation charge for the year	19.4	15.0	0.3	3.6	38.3
Disposals	(13.0)	(0.8)	–	–	(13.8)
Transfer to property, plant, and equipment ¹	–	(4.8)	–	–	(4.8)
Exchange differences	(1.6)	(0.5)	–	–	(2.1)
At 31 March 2025	60.1	30.2	0.3	15.4	106.0
Net book value at 31 March 2025	87.7	124.8	0.6	7.9	221.0

1. Assets that are purchased on finance (e.g. hire purchase) and meet the definition of a right-of-use asset are subsequently transferred to property, plant, and equipment at the end of the lease.

Group	Land and buildings £m	Plant £m	Equipment £m	Vehicles £m	Total £m
Cost					
At 1 April 2023	128.7	202.7	–	17.7	349.1
Additions	19.1	28.7	–	0.1	47.9
Disposals	(6.2)	(3.6)	–	–	(9.8)
Transfer to property, plant, and equipment ¹	–	(95.5)	–	(0.3)	(95.8)
Exchange differences	(1.6)	(0.7)	–	(0.1)	(2.4)
At 31 March 2024	140.0	131.6	–	17.4	289.0
Accumulated depreciation					
At 1 April 2023	45.1	65.1	–	8.4	118.6
Depreciation charge for the year	16.1	10.6	–	3.5	30.2
Disposals	(4.9)	(1.9)	–	–	(6.8)
Transfer to property, plant, and equipment ¹	–	(52.3)	–	(0.1)	(52.4)
Other movements	(0.3)	–	–	–	(0.3)
Exchange differences	(0.7)	(0.2)	–	–	(0.9)
At 31 March 2024	55.3	21.3	–	11.8	88.4
Net book value at 31 March 2024	84.7	110.3	–	5.6	200.6

1. Assets that are purchased on finance (e.g. hire purchase) and meet the definition of a right-of-use asset are subsequently transferred to property, plant, and equipment at the end of the lease.

18 Contract balances

Assets and liabilities related to contracts with customers

Contract assets are made up of a portfolio of contracts and represent unbilled amounts, including amounts arising from changes to scope of works that have been recognised as revenue but not yet billed. Contract liabilities result when cumulative cash received exceeds cumulative revenue on any particular contract. There are no significant one-off factors attributed to the movements of these balances outside normal trading.

Contract assets	£m
At 1 April 2023	373.0
Transfers from contract assets recognised at the beginning of the year to receivables	(328.9)
Performance obligations satisfied in the year that have yet to be transferred to receivables	377.1
Exchange differences	(5.7)
At 31 March 2024	415.5

Transfers from contract assets recognised at the beginning of the year to receivables	(364.2)
Performance obligations satisfied in the year that have yet to be transferred to receivables	282.3
Exchange differences	(8.3)
At 31 March 2025	325.3

Contract liabilities	£m
At 1 April 2023	(325.6)
Revenue recognised against contract liabilities at the beginning of the year	311.3
Increase due to cash received, excluding amounts recognised as revenue during the year	(265.6)
Exchange differences	1.9
At 31 March 2024	(278.0)

Revenue recognised against contract liabilities at the beginning of the year	259.9
Increase due to cash received, excluding amounts recognised as revenue during the year	(307.2)
Exchange differences	2.5
At 31 March 2025	(322.8)

	Assets 2025 £m	Assets 2024 £m	Liabilities 2025 £m	Liabilities 2024 £m	Net 2025 £m	Net 2024 £m
The ageing of contract assets/(liabilities) at the year end was:						
Less than one year	298.9	365.1	(322.8)	(277.6)	(23.9)	87.5
More than one year	26.4	50.4	–	(0.4)	26.4	50.0
	325.3	415.5	(322.8)	(278.0)	2.5	137.5

At 31 March 2025, contract assets include customer retentions of £50.6m (FY24: £54.9m) relating to construction contracts, of which £26.4m (FY24: £34.7m) are non-current assets. The Group manages the collection of retentions through its post-completion project monitoring procedures and contact with clients to ensure that potential issues that could lead to the non-payment of retentions are identified and addressed promptly. The directors estimate the loss allowance on contract assets at the end of the reporting period at an amount equal to lifetime expected credit losses. None of the contract assets at the end of the reporting period are past due and, taking into account the historical default experience and future prospects in the industry, the directors consider that the impact of impairment is not material. Accordingly no expected credit loss has been recognised.

At 31 March 2025, contract liabilities includes forward funding interest of £3.5m (FY24: £5.9m).

Contract fulfilment costs

The Group has no fulfilment costs within contract assets.

Remaining performance obligations

Contracts in place at 31 March have the remaining performance obligations expected to be settled through to contract completion as set out below:

	2025 £m	2024 £m
Europe Hub	4,106.1	3,195.2
Australia Hub	1,804.6	3,077.0
	5,910.7	6,272.2
Expected to be recognised as revenue in the next financial year	3,135.4	3,374.1
Expected to be recognised as revenue between 1 and 2 years	1,856.6	1,520.8
Expected to be recognised as revenue between 2 and 5 years	918.7	1,377.3
	5,910.7	6,272.2

19 Trade and other receivables

Group	2025 £m	2024 £m
Amounts expected to be recovered within one year:		
Trade receivables	85.7	115.0
Less: provision for impairment of trade receivables	(0.5)	(0.6)
Prepayments and accrued income	52.1	16.7
Other receivables	36.8	28.6
	174.1	159.7
Group		
Amounts expected to be recovered after more than one year:		
Trade receivables	0.1	1.0
Other receivables	118.9	55.5
	119.0	56.5
Total trade and other receivables	293.1	216.2
Comprising		
Financial assets (note 29)	241.0	200.1
Non-financial assets	52.1	16.1
	293.1	216.2

At 31 March 2025, other receivables includes reimbursement assets totalling £95.8m (FY24: £31.4m) in respect of amounts that the Group considers it is virtually certain it will receive from its insurers in respect of defects for which a provision is recognised in the financial statements (see note 24). These are recognised as non-current. The Group's estimate is based on the most recent assessment of the cause of the defect. There is estimation uncertainty as to the amount that will be recovered as this is intrinsically linked with the costs incurred in respect of the associated provision (which itself is subject to estimation uncertainty) and the final assessment of the insurer's loss adjuster as to the amount that is subject to cover. As described further in note 2.27(d), these assets are therefore considered a key source of estimation uncertainty.

Company	2025 £m	2024 £m
Amounts expected to be recovered after more than one year:		
Prepayments	0.1	–
Amounts owed by Group undertakings ¹	3.4	–
Total trade and other receivables	3.5	–

1. All amounts owed by Group undertakings are unsecured and repayable on demand.

Movement in the provision for impairment of trade receivables

	2025 £m	2024 £m
Opening balance	(0.6)	(0.8)
Additional provisions recognised	–	(0.1)
Utilised during the year	–	0.2
Unused amounts reversed	0.1	0.1
Closing balance	(0.5)	(0.6)

The maturity profile of the receivables and allowance for expected credit losses provided for above is as follows:

	Carrying amount 2025 £m	Allowance for expected credit losses 2025 £m
Not overdue	64.6	–
0 to 3 months overdue	12.8	–
3 to 6 months overdue	1.2	–
Over 6 months overdue	7.1	(0.5)
	85.7	(0.5)

Based on prior experience, an assessment of the current economic environment, and a review of the financial circumstances of certain individual customers, the directors believe that no further credit risk provision is required in respect of trade receivables.

	Carrying amount 2024 £m ¹	Allowance for expected credit losses 2024 £m
Not overdue	96.8	–
0 to 3 months overdue	7.4	–
3 to 6 months overdue	1.5	–
Over 6 months overdue	9.3	(0.6)
	115.0	(0.6)

1. FY24 figure for not overdue is restated from £97.8m to correct a rounding error.

20 Inventories

Group	2025 £m	2024 £m
Development land	7.6	8.4
Work in progress	2.6	2.6
Raw materials and consumables	11.6	14.8
	21.8	25.8

Development land and work in progress at 31 March 2025 includes assets with a value of £7.1m (FY24: £8.4m) expected to be consumed after more than one year which, given the nature of these assets, is considered part of the normal operating cycle. Inventories carried at net realisable value at 31 March 2025 had a carrying value of £7.6m (FY24: £8.4m).

Capitalised specific borrowing costs attributable to qualifying assets and included in development land and work in progress of £0.8m did not materially change from last year (FY24: £0.9m).

Included within the cost of inventories are stock obsolescence provisions of £0.4m (FY24: £0.6m).

21 Cash and cash equivalents

Group	2025 £m	2024 £m
Cash at bank and in hand	505.1	438.7
Short-term deposits (note 31)	8.0	8.0
	513.1	446.7

(i) Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2025 £m	2024 £m
Balances as above	513.1	446.7
Bank overdrafts (see note 22 within 'bank and other loans')	–	(3.4)
	513.1	443.3

(ii) Restricted cash

£9.1m (FY24: £22.2m) of the total cash balance is restricted cash. These deposits are held as security and are therefore not available for general use by the Group.

(iii) Classification as cash equivalents

£8.0m (FY24: £8.0m) of short-term bank deposits have a maturity of 90 days or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

22 Borrowings

Group	2025 £m	2024 £m
Amounts expected to be settled within one year:		
Bank and other loans (including bank overdrafts of £nil, FY24: £3.4m)	24.1	29.3
Lease liabilities	52.1	45.8
	76.2	75.1
Amounts expected to be settled after more than one year:		
Bank and other loans	114.0	55.7
Lease liabilities	139.9	134.8
	253.9	190.5
Total borrowings	330.1	265.6

Obligations under leases are secured on certain non-current assets of the Group with an original cost of £245.0m (FY24: £208.8m) and a net book value of £179.3m (FY24: £159.1m).

On 19 October 2023, the Group refinanced its UK facilities, extending its £35.0m revolving credit facility. The facility was maintained at £35.0m through to 31 March 2025, at which point quarterly £2.5m reductions commenced, which will reduce the facility to £25.0m by 31 December 2025. A £13.0m property loan was also extended on 19 October 2023 to 3 April 2026.

Company	2025 £m	2024 £m
Amounts expected to be settled within one year:		
Amounts owed to Group undertakings ¹	139.5	132.5
Total borrowings	139.5	132.5

1. All amounts owed to Group undertakings are unsecured and repayable on demand.

23 Trade and other payables

	2025 £m	2024 £m
Amounts expected to be settled within one year:		
Group		
Trade payables	222.1	228.0
Other tax and social security	75.0	74.2
Other payables	15.7	23.0
Accruals	442.0	470.1
	754.8	795.3
Amounts expected to be settled after more than one year:		
Trade payables	37.2	40.4
Accruals	6.2	6.8
	43.4	47.2
Total trade and other payables	798.2	842.5
Comprising		
Financial liabilities (note 29)	716.1	759.0
Non-financial liabilities	82.1	83.5
	798.2	842.5

At 31 March 2025, trade payables include subcontractor retentions of £72.3m (FY24: £74.1m) relating to construction contracts, of which £37.2m (FY24: £40.4m) are non-current liabilities.

	2025 £m	2024 £m
Amounts expected to be settled within one year:		
Company		
Other payables	–	5.1
Accruals	3.9	0.2
Amounts owed to Group undertakings ¹	6.6	1.8
Total trade and other payables	10.5	7.1

1. All amounts owed to Group undertakings are unsecured, interest free, and repayable on demand.

24 Provisions

	Claims and litigation £m	Employee provisions £m	Defects provisions £m	Onerous contract provisions £m	Other provisions £m	Total provisions £m
At 1 April 2024	12.0	35.0	122.9	211.7	8.5	390.1
Provisions created	6.3	5.4	96.0	15.4	1.9	125.0
Provisions utilised	(1.1)	(3.2)	(12.8)	(94.2)	(1.0)	(112.3)
Release of provision	–	–	(14.0)	–	–	(14.0)
Unwind of discount	–	–	–	4.2	–	4.2
Exchange differences	–	(1.9)	(0.2)	(7.8)	(0.2)	(10.1)
At 31 March 2025	17.2	35.3	191.9	129.3	9.2	382.9
Disclosed within:						
Current liabilities	–	19.6	191.9	17.0	6.1	234.6
Non-current liabilities	17.2	15.7	–	112.3	3.1	148.3
	17.2	35.3	191.9	129.3	9.2	382.9
At 1 April 2023	10.6	17.3	87.5	204.9	10.7	331.0
Provisions created	1.4	5.0	61.7	73.9	1.4	143.4
Provisions utilised	–	–	(21.3)	(65.6)	(3.4)	(90.3)
Unwind of discount	–	–	–	4.3	–	4.3
Transfer from/(to) accruals	–	13.2	(5.0)	–	(0.2)	8.0
Exchange differences	–	(0.5)	–	(5.8)	–	(6.3)
At 31 March 2024	12.0	35.0	122.9	211.7	8.5	390.1
Disclosed within:						
Current liabilities	–	21.1	122.9	66.9	3.7	214.6
Non-current liabilities	12.0	13.9	–	144.8	4.8	175.5
	12.0	35.0	122.9	211.7	8.5	390.1

Claims and litigation provisions relate to provisions held by the Group's captive insurer, Laing O'Rourke Insurance Limited, that are actuarially valued. Such provisions are held until utilised or such time as further claims are considered unlikely under the respective insurance policies. Due to the nature of the provisions for insurance claims, the timing of any potential future outflows in respect of the liabilities is uncertain but they are not expected to capitalise within 12 months of the balance sheet date, and therefore, liabilities for unagreed claims are classified as non-current.

24 Provisions (continued)

The employee provision includes an accrual of long-service leave for employees in Australia. The non-current element is a calculation of long-service leave for employees who have not yet reached their long-service target. The utilisation of the provision is dependent on employee attrition and utilisation of accrued leave. This employee provision also includes a provision for end of service benefits in the UAE branches. In accordance with the provisions of IAS 19 (revised), management has carried out an exercise to assess the present value of its obligations at 31 March 2025 and 2024, using the projected unit credit method, in respect of employees' end of service benefits payable in accordance with the UAE branches' terms of employment. Under this method, an assessment has been made of an employee's expected service life with the UAE branches and the expected basic salary at the date of leaving. Management has assumed average incremental costs of 5 per cent (FY24: 5 per cent). The expected liability at the date of leaving the service has been discounted to its net present value using a discount rate of 4.78 per cent (FY24: 4.91 per cent). Employee provisions also include £6.0m (FY24: £9.2m) of provisions held by the Group's captive insurer, Laing O'Rourke Insurance Limited, for employee death and injury claims.

At 31 March 2025, defects provisions relates to rectification works across a number of legacy projects, which are all classified as current. The Group does not in all cases have access to the site to fully assess the costs of rectification and, therefore, there is no certainty as to the level of costs that will ultimately be incurred to settle them. As described further in note 2.27(d), these liabilities are therefore considered a key source of estimation uncertainty. Unless the timing of the rectification works is known and will occur more than 12 months after the balance sheet date, these liabilities are shown as current.

Onerous contract provisions includes a claims provision provided in respect of a private arbitration that is ongoing at the end of the reporting period. This claim is in respect of a contract terminated during the 2017 financial year. An amount of £110.9m (AUD\$229.6m) (FY24: £137.9m (AUD\$266.2m)) has been recognised within provisions. This matter is subject to an ongoing private arbitration with a final award not expected to be issued before April 2027. Refer to note 2.27(b) for further detail.

During the year, the Group made an on-account and without admission payment of AUD\$72m (£36m) to the counterparty in the arbitration referred to in note 2.27(b) against any liability of Laing O'Rourke Australia Construction Pty Ltd to the counterparty with respect to the final award in that arbitration, which resulted in a consequential reduction of the Group's provision. The consequential reduction has been partly offset by recent developments in the ongoing private arbitration.

The remaining balance relates to other loss-making contracts which will unwind over the remaining life of those contracts.

Within other provisions, the Group provides in full for obligations to remedy net liabilities of jointly controlled entities in excess of amounts already loaned. At 31 March 2025 these provisions amounted to £5.6m (FY24: £3.3m) and were measured in accordance with the Group's accounting policies. Amounts provided are assessed based on judgements of contract costs, contract programmes, and maintenance liabilities and are expected to be

paid within one year. The remaining balance of other provisions relates to public liability provisions.

25 Deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities are set off in the statement of financial position where they relate to corporate income taxes levied by the same taxation authority and there is a legally enforceable right to offset current tax assets against current tax liabilities. This note sets out the Group's deferred tax assets and liabilities without applying such offset.

Net deferred tax position at 31 March

	2025 £m	2024 £m
Deferred tax assets	114.9	124.6
	114.9	124.6

A summary table reconciling the deferred tax assets and deferred tax liabilities in the statement of financial position to the remainder of this note is also set out below:

Recognised deferred tax assets and liabilities

	Assets 2025 £m	Assets 2024 £m	Liabilities 2025 £m	Liabilities 2024 £m	Net 2025 £m	Net 2024 £m
Property, plant, and equipment	51.4	36.0	(45.6)	(43.1)	5.8	(7.1)
Other temporary differences	20.8	22.2	(27.7)	(19.3)	(6.9)	2.9
Tax losses carried forward	117.3	130.8	–	–	117.3	130.8
Intangible assets	–	–	(1.3)	(2.0)	(1.3)	(2.0)
Deferred tax assets/(liabilities)	189.5	189.0	(74.6)	(64.4)	114.9	124.6

Movements in deferred tax assets and liabilities during the year

	At 1 April 2024 £m	Exchange and other movements £m	Recognised in income £m	As at 31 March 2025 £m
Property, plant, and equipment	(7.1)	–	12.9	5.8
Other temporary differences	2.9	–	(9.8)	(6.9)
Tax losses carried forward	130.8	(1.0)	(12.5)	117.3
Intangible assets	(2.0)	–	0.7	(1.3)
	124.6	(1.0)	(8.7)	114.9

25 Deferred tax assets and liabilities (continued)

	At 1 April 2023 £m	Exchange and other movements £m	Recognised in income £m	As at 31 March 2024 £m
Property, plant, and equipment	(8.9)	–	1.8	(7.1)
Other temporary differences	4.1	(0.2)	(1.0)	2.9
Tax losses carried forward	143.3	(1.3)	(11.2)	130.8
Intangible assets	(2.7)	–	0.7	(2.0)
	135.8	(1.5)	(9.7)	124.6

The recognised deferred tax assets include £101.7m (FY24: £108.2m) which primarily relates to carried forward losses in relation to the UK operations. The losses arose prior to FY25, the Group is forecast to be profitable and the Group has concluded that these deferred tax assets will be recovered using the estimated future taxable income, which is based on the approved forecasts prepared by management. These forecasts cover future years and take into account UK tax laws that, in broad terms, restrict the offset of the carried forward tax losses to 50 per cent of the current year profits. The UK Group entities are expected to generate taxable profits in the future. The losses can be carried forward indefinitely and have no expiry date. Changes in future profits will impact the recoverability of the deferred tax assets; refer to note 2.27(f) for further detail. Current forecasts indicate that the losses will be materially utilised over a period of up to 10 years. Refer to note 2.27(f) and the going concern section in the consolidated management report for further detail around the forecast profitability as well as the key assumptions and areas of estimation uncertainty.

Other temporary differences relate mainly to assets in Laing O'Rourke Australia Pty Limited, where employee benefits, project accruals, and cost provisions are expensed in one period but deducted against tax in another.

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of the following items:	2025 £m	2024 £m
Tax losses	56.4	61.4

The Group has unrecognised deferred tax assets of £56.4m (FY24: £61.4m) relating to unused tax losses of £212.9m (FY24: £232.2m) predominantly generated from Canadian operations which are equity accounted.

The tax losses have arisen in the Group and can be carried forward to future periods for use against part of future profits. The losses can be carried forward indefinitely and have no expiry date. No deferred tax asset has been recognised in respect of these amounts as future taxable profits to utilise these losses are not considered probable in the entities to which they relate.

The Group has undistributed earnings of £38.7m (FY24: £12.5m) which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference

exists, but no deferred tax liability has been recognised as the Group is able to control the timing of distributions from subsidiaries and is not expected to distribute these profits in the foreseeable future.

26 Share capital

Group and Company: Allotted, called up, and fully paid	2025 £	2024 £
9,142 ordinary €1 shares (FY24: 9,142)	6,211	6,211

The authorised share capital of Laing O'Rourke Corporation Limited at 31 March 2025 was 18,000 ordinary shares of €1 each (FY24: 18,000 shares of €1 each).

27 Reconciliation of movements in equity

	Called-up share capital ¹ £m	Share premium £m	Foreign currency translation reserve £m	Accumulated losses £m	Total shareholders' equity £m
GROUP					
At 1 April 2023	0.0	344.6	22.5	(168.1)	199.0
Profit for the year	–	–	–	7.6	7.6
Other comprehensive expense after tax	–	–	(5.6)	–	(5.6)
Total comprehensive income for the year	–	–	(5.6)	7.6	2.0
At 31 March 2024	0.0	344.6	16.9	(160.5)	201.0
Profit for the year	–	–	–	29.5	29.5
Other comprehensive expense after tax	–	–	(11.8)	–	(11.8)
Total comprehensive income for the year	–	–	(11.8)	29.5	17.7
At 31 March 2025	0.0	344.6	5.1	(131.0)	218.7

1. These financial statements are rounded to the nearest £100,000. Share capital of the Company as at 31 March in both years was £6,211.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial results of foreign operations.

27 Reconciliation of movements in equity (continued)

Accumulated losses

Accumulated losses relate to the proportion of net income retained by the Group less distributions.

COMPANY	Called-up share capital ¹ £m	Share premium £m	Accumulated losses £m	Total equity £m
At 1 April 2023	0.0	344.6	(4.0)	340.6
Loss for the year	–	–	(1.0)	(1.0)
Other comprehensive expense after tax	–	–	–	–
Total comprehensive expense for the year	–	–	(1.0)	(1.0)
At 31 March 2024	0.0	344.6	(5.0)	339.6
Loss for the year	–	–	(7.2)	(7.2)
Other comprehensive expense after tax	–	–	–	–
Total comprehensive expense for the year	–	–	(7.2)	(7.2)
At 31 March 2025	0.0	344.6	(12.2)	332.4

1. These financial statements are rounded to the nearest £100,000. Share capital of the Company as at 31 March in both years was £6,211.

28 Guarantees and contingent liabilities

The Group had contingent liabilities at 31 March in respect of:

Guarantees

	2025 £m	Restated ¹ 2024 £m
Surety bonds (including performance bonds)	260.6	278.1
Bank guarantees	46.2	77.3
	306.8	355.4

1. The FY24 surety exposure has been restated from £281.7m due to a delayed confirmation received for a bond step-down in the UK.

Of the above guarantees, £17.2m (FY24: £28.6m) were collateralised at 31 March 2025. These guarantees may give rise to liabilities if the Group does not meet its obligations under the terms of the guarantees. No material losses are anticipated in respect of any of the above guarantees.

However, in April 2017, Laing O'Rourke Australia Construction Pty Limited commenced court proceedings against a consortium partner to restrain a call on AUD\$49.4m (£26.9m) of insurance bonds in relation to the terminated contract. Following two judgments in favour of Laing O'Rourke Australia Construction Pty Limited, on 8 March 2018 Laing O'Rourke Australia Construction Pty Limited and the consortium partner reached an interim settlement of the bond dispute whereby the consortium partner agreed not to call on the bonds except in accordance with the final resolution of the contract in private arbitration. As a result of events

in April 2023, the consortium partner is no longer entitled to have recourse to AUD\$46.2m (£23.9m) of performance bonds and is entitled to have recourse to AUD\$3.2m (£1.7m) of advance payment bonds to the extent of any unpaid advance to the Group (subject to set off). During the year, on 24 May 2024, the AUD\$46.2m (£23.9m) of performance bonds were returned to Laing O'Rourke Australia Construction Pty Limited.

Claims

The Company has subsidiaries that have a conventional contractor's liability in relation to construction and engineering contracts, including but not limited to guarantees, counter-indemnities and guarantees in respect of their share of certain contractual obligations of joint arrangements, consortia, and other similar relationships. This liability includes various claims from time to time by the Group or subsidiaries against third parties or claims by third parties against the Group or its subsidiaries or joint arrangements or consortia relationships in which the Group has an interest. It is not possible to estimate the financial effect of these claims should they be successful. While the outcome of these claims is uncertain, where it is appropriate to do so the directors believe that adequate allowance has been made within the contract provisions in note 24.

Provisions are recognised for the directors' best estimate of known defects, legal claims, investigations, and legal actions relating to the Group that are considered more likely than not will result in an outflow of economic benefit. If the directors consider that an economic outflow in relation to a defect, claim, investigation, or action relating to the Group is not probable, and/or consider that there is no present obligation, no provision is recognised. Furthermore, if the directors cannot make a reliable estimate of a potentially material obligation then no provision is recognised, but details of any potentially material claims are disclosed.

Apart from the matters for which a provision has been recognised (see note 24), including those recognised in FY25 and classified as exceptional costs (see note 5), the directors are aware of a number of matters that the Group is monitoring that could develop into claims made under the Defective Premises Act, including claims made in relation to remedial works undertaken by others as a result of the Government's building safety pledge/Developer Remediation Contract. The Group holds insurance policies that may reimburse the Group for some or all of any outflow of economic benefits in respect of any such claim, albeit such reimbursement can only be recognised when it is virtually certain. For these additional matters, at present, there is limited information available to the directors to determine whether the Group has a present obligation where an outflow of economic benefit is probable and/or to make a reliable estimate of the liability to the Group and so no provision is recorded. Any future potential exposure in relation to these matters cannot, at this stage, be reliably quantified.

Joint arrangements

The Group has subsidiaries that have entered into joint arrangements under which the subsidiaries may be jointly and severally liable for the liabilities of the joint arrangements.

29 Financial instruments

29.1 Financial risk management

Financial risk management is an integral part of the way the Group is managed. In the course of its business, the Group is exposed primarily to foreign currency risk, interest rate risk, liquidity risk, and credit risk. The overall aim of the Group's financial risk management policies is to minimise potential adverse effects on financial performance and net assets.

The Group's Treasury function manages the principal financial risks within policies and operating parameters approved by the Board. Treasury is not a profit centre and does not enter into speculative transactions.

29.2 Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate as a result of changes in foreign exchange rates. The pound sterling equivalents of the currency of the Group's financial assets and liabilities were as follows:

	Pound sterling value of equivalent currency (£m)							
	2025 GBP	2025 EUR	2025 AUD	2025 AED	2025 CAD	2025 HKD	2025 Other	2025 Total
Loans to joint ventures (note 15)	8.0	–	–	–	–	–	–	8.0
Trade and other receivables (note 19)	179.5	0.1	42.7	8.8	9.3	0.4	0.2	241.0
Cash and cash equivalents (note 21)	249.4	3.5	243.8	14.8	–	1.5	0.1	513.1
Total financial assets	436.9	3.6	286.5	23.6	9.3	1.9	0.3	762.1
Borrowings ¹ (note 22)	(243.2)	–	(86.7)	–	–	(0.2)	–	(330.1)
Trade and other payables (note 23)	(411.6)	(4.8)	(220.0)	(78.5)	–	(1.2)	–	(716.1)
Net financial (liabilities)/assets	(217.9)	(1.2)	(20.2)	(54.9)	9.3	0.5	0.3	(284.1)

1. All of the borrowings not denominated in GBP totalling £86.9m (FY24: £84.0m) are used to finance overseas operations.

	Pound sterling value of equivalent currency (£m)							
	2024 GBP	2024 EUR	2024 AUD	2024 AED	2024 CAD	2024 HKD	2024 Other	2024 Total
Loans to joint ventures (note 15)	8.0	–	–	–	–	–	–	8.0
Trade and other receivables (note 19)	104.3	–	68.6	19.5	6.9	0.7	0.1	200.1
Cash and cash equivalents (note 21)	159.2	2.0	276.7	8.0	–	0.7	0.1	446.7
Total financial assets	271.5	2.0	345.3	27.5	6.9	1.4	0.2	654.8
Borrowings ¹ (note 22)	(181.6)	–	(74.0)	(9.7)	–	(0.3)	–	(265.6)
Trade and other payables (note 23)	(483.9)	(0.1)	(213.4)	(60.8)	(0.1)	(0.7)	–	(759.0)
Net financial (liabilities)/assets	(394.0)	1.9	57.9	(43.0)	6.8	0.4	0.2	(369.8)

If the foreign exchange rates that the Group is exposed to had changed adversely by 10 per cent at the balance sheet date, the net financial (liabilities)/assets would have decreased by £6.0m (FY24: £2.2m). At the year end the parent company had no significant balances in foreign currencies.

The pound sterling equivalents of the currency of the parent company's financial assets and liabilities were as follows:

Company	Pound sterling value of equivalent currency (£m)							
	2025 GBP	2025 EUR	2025 AUD	2025 AED	2025 CAD	2025 HKD	2025 Other	2025 Total
Trade and other receivables (note 19)	3.4	–	–	–	–	–	–	3.4
Borrowings (note 22)	(139.5)	–	–	–	–	–	–	(139.5)
Trade and other payables (note 23)	(10.5)	–	–	–	–	–	–	(10.5)
Net financial liabilities	(146.6)	–	–	–	–	–	–	(146.6)

	Pound sterling value of equivalent currency (£m) (restated ¹)							
	2024 GBP	2024 EUR	2024 AUD	2024 AED	2024 CAD	2024 HKD	2024 Other	2024 Total
Borrowings (note 22)	(132.5)	–	–	–	–	–	–	(132.5)
Trade and other payables (note 23)	(7.1)	–	–	–	–	–	–	(7.1)
Net financial liabilities	(139.6)	–	–	–	–	–	–	(139.6)

29 Financial instruments (continued)

29.3 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk in relation to some of its borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The contractual repricing or maturity dates, whichever are earlier, and effective interest rates of total borrowings, are as follows:

	Repricing/maturity date					Effective interest rate per cent
	Total £m	Within one year £m	Between one and two years £m	Between two and five years £m	After five years £m	
At 31 March 2025						
Bank and other loans	138.1	24.1	73.2	40.6	0.2	9.52%
Lease obligations	192.0	52.1	52.6	66.6	20.7	7.64%
	330.1	76.2	125.8	107.2	20.9	
At 31 March 2024						
Bank and other loans	85.0	29.3	28.8	25.9	1.0	9.08%
Lease obligations	180.6	45.8	41.6	70.2	23.0	6.12%
	265.6	75.1	70.4	96.1	24.0	

If interest rates on variable rate borrowings had been 1 per cent higher during the financial year, the results and equity would have reduced by £0.2m (FY24: £0.8m). This sensitivity analysis takes into account the tax impact. The Company has no external borrowings or lease obligations. It was previously exposed to interest rate risk in regard to one balance owed to Group undertakings of £139.5m as at 31 March 2025, that attracted interest at the Bank of England base rate plus 0.5 per cent. From 1 April 2023, the loan was made non-interest bearing.

29.4 Liquidity risk

Prudent liquidity risk management involves maintaining sufficient cash and available funding to meet liabilities as they fall due. The Group has procedures in place to minimise liquidity risk, such as maintaining sufficient cash and other highly liquid current assets and by having an adequate amount of committed credit facilities.

On 19 October 2023, the Group refinanced its UK facilities, extending its £35.0m revolving credit facility. The facility was maintained at £35.0m through to 31 March 2025, at which point quarterly £2.5m reductions commenced, which will reduce the facility to £25.0m by 31 December 2025. The new facility has three covenants related to adjusted EBITDA, minimum liquidity, and forecast liquidity. If any of these covenants are breached this will constitute an event of default on the Group's borrowing facilities. The Group takes a proactive stance in monitoring and ensuring compliance with covenants and reporting requirements. Procedures are in place to monitor and forecast cash usage and other highly liquid current assets. This,

together with the revolving credit facility, ensures that the Group has an adequate availability of cash when required.

Maturity of financial liabilities

The maturity profile of the carrying amount of the Group's financial liabilities including interest is as follows:

Group	Restated Trade and other payables ¹ £m	Bank loans £m	Leases £m	Total £m
At 31 March 2025				
Within one year	672.7	26.4	57.9	757.0
Between one and less than two years	12.6	83.6	55.5	151.7
Between two and less than five years	26.9	48.3	67.6	142.8
Five or more years	3.9	0.2	20.7	24.8
	716.1	158.5	201.7	1,076.3
At 31 March 2024 restated¹				
Within one year restated ¹	711.8	32.0	50.0	793.8
Between one and less than two years	11.3	32.8	44.9	89.0
Between two and less than five years	28.5	30.5	73.0	132.0
Five or more years	7.4	1.1	23.1	31.6
	759.0	96.4	191.0	1,046.4

1. Trade and other payables for FY24 have been restated to exclude non-financial liabilities of £83.5m in compliance with IFRS 7 Financial Instruments. Consequently, trade and other payables due within one year have been reduced from £795.3m to £711.8m.

The Company has procedures in place to minimise liquidity risk, such as maintaining sufficient cash and other highly liquid current assets and by having an adequate amount of committed credit facilities.

Company	Borrowings £m	Trade and other payables £m	Total £m
At 31 March 2025			
Within one year	139.5	10.5	150.0
	139.5	10.5	150.0
At 31 March 2024			
Within one year	132.5	7.1	139.6
	132.5	7.1	139.6

29 Financial instruments (continued)

29.5 Credit risk

The Group's credit risk is the risk of financial loss if a client or counterparty to a financial instrument fails to meet its contractual obligations. The Group's financial assets are typically trade receivables and contract assets. Contract assets relate to unbilled work in progress and have substantially the same credit risk profile as trade receivables. The £8.0m (FY24: £8.0m) loan to joint ventures is not considered a significant debt to the Group, nor considered a higher credit risk as the counterparty continues to fulfil its contractual obligations. The funding and holding of PFIs is no longer a core activity for the Group. For cash and deposits the credit rating of a financial institution will determine the amount of and duration for which funds may be deposited.

The Group will only trade with recognised, creditworthy parties, and all that wish to trade on credit terms are subject to credit verification procedures that will be completed before trade commences. Any trade receivable outstanding is monitored on an ongoing basis, at both an operational business level and hub level. Payment is ordinarily received before or when due from our clients, and as such the Group does not expect material credit losses to occur on these clients. This is further substantiated by the past performance of the Group in substantially recovering in full balances owed. The Company also does not expect any losses from non-performance by counterparties.

Included within contract assets are client retentions contractually due post-completion, which can be due in more than one year due to the size and nature of projects. Procedures are in place to monitor project performance to identify any potential non-payment risk. Prompt action will be taken by management to reduce the risk of non-payment, but often this is an operational issue rather than determined as a credit risk.

The Group applies the simplified approach to measuring credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets. At 31 March 2025, management have estimated an allowance for expected credit loss based on experience of past default and the current and future economic environment. Specific trade receivables are provided for if management become aware of a credit risk. There has not been a significant increase in the credit risk since the financial assets have been recognised. A debt is only written off once all avenues to collect have been exhausted, and there is no reasonable expectation of recovery.

29.6 Fair values

The fair value movements on held to collect and to sell financial assets are recognised in the consolidated statement of comprehensive income. There has been no change (FY24: no change) in financial assets held to collect and to sell in relation to PFI investments in joint ventures in the year.

The carrying and fair values of the Group's financial instruments at 31 March 2025 and 31 March 2024 are as follows:

	Fair value 2025 £m	Carrying amount 2025 £m	Fair value 2024 £m	Carrying amount 2024 £m
Financial assets measured at amortised cost	762.1	762.1	654.8	654.8
Financial liabilities measured at amortised cost	(1,046.2)	(1,046.2)	(1,024.6)	(1,024.6)

The carrying and fair values of the Group's and Company's financial instruments were not materially different at 31 March 2025 as the impact of discounting fixed term borrowings at current market interest rates for similar borrowings is not significant.

Loans, receivables, and financial liabilities are held at their amortised cost, which is deemed to reflect fair value due to their short-term nature.

29.7 Capital risk management

The Group's and Company's objectives when managing capital are to safeguard the Group's and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Laing O'Rourke Insurance Limited, as a wholly owned subsidiary of the Company, must also comply with the insurance capital required by the regulator, the Companies (Guernsey) Law 2008, and the Insurance Business (Bailiwick of Guernsey) Law 2002.

In order to maintain or adjust the capital structure, the Group and Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group regularly forecasts its cash position to manage on both a short-term and a long-term basis. Performance against forecasts is also reviewed and analysed to ensure the Group efficiently manages its net funds/debt position.

Net cash is calculated as cash and cash equivalents less debt excluding the impact of IFRS 16, Leases (including 'current and non-current borrowings' as shown in the consolidated statement of financial position).

At 31 March 2025, the Group had net cash of £284.7m (FY24: £278.5m); see note 36.

The Group is required to hold regulatory capital for its captive insurance company in compliance with the rules issued by the Guernsey Financial Services Commission. The Company must hold assets in excess of the higher of two amounts. The first is based on a fixed percentage of premium income. The second is based on a fixed percentage of claims outstanding (including claims incurred but not reported). In addition, the Company must complete its own risk solvency assessment which is reviewed by the Guernsey Financial Services Commission. The Group's capital is sufficient to meet all regulatory requirements.

30 Alternative performance measures

The Group presents certain measures of financial performance and position in the consolidated financial statements that are not defined or specified according to IFRS, to provide additional performance-related measures to its stakeholders. These measures, referred to as alternative performance measures (APMs), are prepared on a consistent basis for all periods presented in this report.

By their nature, the APMs used by the Group are not necessarily uniformly applied by peer companies and therefore may not be comparable with similarly defined measures and disclosures applied by other companies. Such measures should not be viewed in isolation or as a substitute to the equivalent IFRS measure.

Separate presentation of these items is intended to enhance understanding of the financial performance of the Group in the particular year under review and the extent to which results are influenced by material, unusual in nature, and non-recurring items. The directors consider that doing so clarifies the presentation of the financial statements and better reflects the internal management reporting and the measures used internally to assess business performance. The directors also believe that disclosing these performance measures enhances users of the accounts' ability to evaluate and assess the underlying financial performance of the Group's operations and the related key business drivers.

Internally, the Group and its operating segments apply the same APMs in a consistent manner in planning and reporting on performance to management and the Board.

The APMs used by the Group are described below, together with a reference to their use and, where not already provided, a reconciliation to the relevant IFRS information.

APM description and purpose	Note reference	Closest IFRS measure
Managed revenue	Note 4	Revenue
Total revenue, including share of joint ventures' and associates' revenue and inter-segment revenue. This is primarily used at the segment level to measure the total income of all the activities in the segment, regardless of ownership or intercompany relationship. This also includes the share of revenue of a payroll services company where this revenue is subsequently recharged out. The reconciliation to revenue is shown in note 4.		
Total revenue including share of joint ventures and associates	Note 4	Revenue
This is used primarily at the Group level to assess revenue earned from third-party customers, including by joint ventures and associates. The reconciliation to revenue is shown in note 4.		
EBITDA post-exceptional items	Note 4	
This is equal to profit/(loss) from operations as disclosed in the income statement before depreciation and amortisation of tangible and intangible assets. The reconciliation to profit/(loss) from operations is shown in note 4.		

APM description and purpose	Note reference	Closest IFRS measure
EBIT pre-exceptional items	Note 4	
This is another term for profit/(loss) from operations before exceptionals as disclosed in the income statement. Exceptional items, as disclosed in note 5, are excluded. The reconciliation to profit/(loss) from operations is shown in note 4.		
EBITDA pre-exceptional items	Note 4	
This is equal to profit/(loss) from operations as disclosed in the income statement before depreciation and amortisation of tangible and intangible assets. Exceptional items, as disclosed in note 5, are excluded. The reconciliation to profit/(loss) from operations is shown in note 4.		
Pre-exceptional gross margin		
Pre-exceptional gross margin is calculated as pre-exceptional gross profit/(loss) divided by pre-exceptional Group revenue as shown in the consolidated income statement.		
Net cash	Note 36	
This is a measure of the overall liquidity position of the business at the statement of financial position date. It is equal to cash and cash equivalents less debt, excluding the impact of adopting IFRS 16, Leases.		

	FY25 £m	FY24 £m
Cash and cash equivalents (see statement of financial position)	513.1	446.7
Current borrowings (see statement of financial position)	(76.2)	(75.1)
Non-current borrowings (see statement of financial position)	(253.9)	(190.5)
Less impact of IFRS 16, Leases	101.7	97.4
Net cash (see note 36)	284.7	278.5

31 Assets charged as security for liabilities and collateral accepted as security for assets

Financial assets pledged as short-term collateral and included within cash equivalents were £17.2m (FY24: £28.6m).

As part of the Group's management of its insurable risks, a proportion of this risk is managed through a self-insurance programme operated by its captive insurance subsidiary company, Laing O'Rourke Insurance Limited. This company is a wholly owned subsidiary of the Group and premia paid are held to meet future claims. The cash balances held by Laing O'Rourke Insurance Limited are reported within cash and cash equivalents. As is usual practice for captive insurance companies, some of the cash is used as collateral against contingent liabilities, and standby letters of credit to the value of £8.0m (FY24: £8.0m) have been provided to certain external insurance companies. The standby letters of credit have been issued via banking facilities that Laing O'Rourke Insurance Limited has in place.

No financial assets have been provided to the Group as collateral (FY24: £nil).

32 Financial and capital commitments

Capital expenditure for property, plant, and equipment authorised and contracted for which has not been provided for in the consolidated financial statements amounted to £19.3m (FY24: £35.4m) in the Group.

33 Related party transactions and balances

Identity of related parties

The Group has a related party relationship with its major shareholders, subsidiaries, joint arrangements, associates, and key management personnel.

Group

The Group received income and incurred expenses with related parties from transactions made in the normal course of business.

Sale of goods and services provided to related parties

	2025		2024	
	Income earned in year £m	Receivable at year end £m	Income earned in year £m	Receivable at year end £m
Joint ventures				
Alder Hey SPV (interest on subordinated debt)	1.2	8.0	1.1	8.0
BYLOR Services Limited (payroll services)	0.3	–	0.2	–
Emirates PreCast Construction LLC (plant and labour)	0.6	–	–	–
Explore Transport Limited (IT cost, test and inspect charges, depot charges)	0.2	–	2.9	0.2
Health Montreal Collective CJV (Limited Partnership)	2.6	9.2	–	6.9
Other related parties				
Oisin Aviation (Jersey) LP (employment and office cost)	0.2	–	–	–
Oisin Capital Limited (office and admin cost)	0.2	–	0.3	0.1
Suffolk Partners Corporation (interest on loan)	2.0	26.0	1.8	24.0

Purchase of goods and services provided by related parties

	2025		2024	
	Expenses paid in year £m	Payable at year end £m	Expenses paid in year £m	Payable at year end £m
Joint ventures				
BYLOR Services Limited (employment cost)	296.4	10.4	284.8	11.4
Emirates PreCast Construction LLC (concrete products)	1.1	0.7	1.0	–
Explore Transport Limited (transport and plant hire)	44.6	3.3	60.6	3.9
Other related parties				
Mark Holding and Finance Limited (leased premises)	1.7	–	1.7	–
Oisin Aviation (IOM) LP (aviation cost)	0.2	–	0.1	–
Oisin Aviation (Jersey) LP (aviation cost)	0.5	–	0.3	–
Steetley Investments Limited (leased premises)	12.2	2.9	6.1	2.0
Ebsworth Holding & Finance Limited (interest and associated costs on loan)	3.9	40.0	–	–

33 Related party transactions and balances (continued)

The related party receivables and payables are not secured and no guarantees were received in respect thereof. All will be settled in accordance with normal credit terms. Amounts due to and from joint ventures and associates at 31 March 2025 are disclosed within investments in joint ventures and associates, trade and other receivables, and trade and other payables in notes 15, 19, and 23 respectively. No amounts were written off in the year by either party in respect of amounts payable/receivable under the agreements entered into.

Alder Hey (Special Purpose Vehicle) Limited, BYLOR Services Limited, Emirates PreCast Construction LLC, Explore Transport Limited, and Health Montreal Collective CJV (Limited Partnership) are related parties by virtue of the fact that they are joint venture undertakings of the Laing O'Rourke Corporation Limited Group.

In both years all invoices from Mark Holding and Finance Limited and Steetley Investments Limited were paid to Ebsworth Holding & Finance Limited. During the year the interests in Mark Holding and Finance Limited, Steetley Investments Limited, and Ebsworth Holding & Finance Limited were held in trust, the beneficiaries of which are R G O'Rourke KBE and the late H D O'Rourke.

The limited partners of Oisin Aviation (IOM) LP and Oisin Aviation (Jersey) LP were R G O'Rourke KBE and the late H D O'Rourke. The interests in Oisin Capital Limited were held in trust, the beneficiaries of which are R G O'Rourke KBE and the late H D O'Rourke.

R G O'Rourke KBE and the late H D O'Rourke are beneficiaries of the trust which ultimately owns Suffolk Partners Corporation.

Directors' remuneration

During the year the total remuneration of the directors was £5.3m (FY24: £6.2m) of which pension costs amounted to £nil (FY24: £nil); see note 7.

34 Ultimate parent company

R G O'Rourke KBE holds 64.2 per cent of the shares of Laing O'Rourke Corporation Limited and the late H D O'Rourke holds 35.8 per cent. The immediate and ultimate controlling party of Laing O'Rourke Corporation Limited is R G O'Rourke KBE by virtue of his majority shareholding (64.2 per cent).

35 Post balance sheet events

On 30 June 2025, the Group signed a purchase agreement for the purchase of trade and assets of the plant hire business of Explore Transport Limited, with completion expected on 31 July 2025. On completion, the group will also sign a sale agreement for its equity interest in Explore Transport Limited.

36 Reconciliation of net cash flow to movement in net cash

	Liabilities from financing activities			Cash and cash equivalents (note 21) £m	Net cash £m
	Borrowings (note 22) £m	Leases £m	Sub-total £m		
As at 1 April 2023	(42.8)	(99.0)	(141.8)	428.1	286.3
Cash flow	(42.1)	–	(42.1)	92.5	50.4
New lease arrangements	–	(50.6)	(50.6)	–	(50.6)
Repayments**	19.9	46.9	66.8	(66.8)	–
Transfers	(17.4)	17.4	–	–	–
Exchange differences	0.8	1.6	2.4	(10.5)	(8.1)
Impact of IFRS 16 at 31 March 2023	–	(99.0)	(99.0)	–	(99.0)
Impact of IFRS 16 at 31 March 2024	–	99.1	99.1	–	99.1
Other changes*	–	0.4	0.4	–	0.4
As at 31 March 2024	(81.6)	(83.2)	(164.8)	443.3	278.5
Cash flow	(90.1)	–	(90.1)	176.0	85.9
New lease arrangements	–	(70.6)	(70.6)	–	(70.6)
Repayments**	31.7	56.2	87.9	(87.9)	–
Exchange differences	1.5	3.3	4.8	(18.3)	(13.5)
Impact of IFRS 16 at 31 March 2024	–	(99.1)	(99.1)	–	(99.1)
Impact of IFRS 16 at 31 March 2025	–	101.7	101.7	–	101.7
Other changes*	–	1.8	1.8	–	1.8
As at 31 March 2025	(138.5)	(89.9)	(228.4)	513.1	284.7

* Other changes include non-cash adjustments relating to lease liabilities and borrowings.

** Repayments is net of £18.8m interest (FY24: £10.7m).

The Group defines net cash as cash less debt, excluding the impact of adopting IFRS 16.

37 Principal subsidiaries, joint arrangements, and associates

These tables represent the Group's interest in ordinary voting shares of principal subsidiaries, joint arrangements, and associates for the year 31 March 2025. Principal subsidiaries, joint arrangements, and associates are those which are deemed significant to the business, either because of the quantum of their results or because of the nature of the business conducted.

Principal subsidiaries (all legally incorporated entities)	Principal activity	Group interest in ordinary voting shares	Principal place of business
Crown House Technology UAE LLC	Mechanical and electrical contracting	100%	United Arab Emirates
Explore 2050 Engineering Limited	Civil and structural engineering, piling, and demolition	100%	United Kingdom
Explore 2050 Manufacturing Limited	Manufacture of construction products	100%	United Kingdom
Laing O'Rourke Australia Construction Pty Limited	Building contracting, civil engineering, infrastructure, and plant hire	100%	Australia
Laing O'Rourke Australia Group Pty Limited	Holding company	100%	Australia
Laing O'Rourke Australia Holdings Limited	Holding company	100%	Jersey
Laing O'Rourke Canada Limited	Building contracting and civil engineering	100%	Canada
Laing O'Rourke Delivery Limited	Building contracting, civil engineering, and infrastructure	100%	United Kingdom
Laing O'Rourke Holdings Limited	Holding company	100%	United Kingdom
Laing O'Rourke Insurance Limited	Underwriting insurance	100%	Guernsey
Laing O'Rourke Middle East Holdings Limited	Building contracting and civil engineering	100%	Jersey
Laing O'Rourke Plc	Holding company	100%	United Kingdom

Principal subsidiaries (all legally incorporated entities)	Principal activity	Group interest in ordinary voting shares	Principal place of business
Laing O'Rourke Services Limited	Service company	100%	United Kingdom
O'Rourke Investments Holdings (UK) Limited	Holding company	100%	United Kingdom
Select Plant Hire Company Limited	Plant hire and operations	100%	United Kingdom
Suffolk Partners Three Limited	Treasury company	100%	British Virgin Islands

Joint ventures (all legally incorporated entities)	Principal activity	Group ownership interest	Principal place of business
Alder Hey (Special Purpose Vehicle) Limited	PFI accommodation operator hospital	40%	United Kingdom
BYLOR Services Limited	Payroll services company	50%	United Kingdom
Emirates PreCast Construction LLC	Manufacture of precast concrete	40%	United Arab Emirates
Explore Transport Limited	Logistics	50%	United Kingdom
Health Montreal Collective CJV Limited Partnership	PFI accommodation operator hospital	50%	Canada

Alder Hey SPV Limited, Emirates PreCast Construction LLC and Explore Transport Limited have a year end of 31 March. BYLOR Services has a 31 December year end. Health Montreal Collective CJV Limited Partnership has a 30 April year end.

37 Principal subsidiaries, joint arrangements, and associates (continued)

Associates (all legally incorporated entities)	Principal activity	Group ownership interest	Principal place of business
Presien Holdings Pty Limited	Technology development	26%	Australia

Joint operations (unincorporated)	Principal activity	Group ownership interest	Principal place of business
BYLOR	Civil engineering	50%	United Kingdom
EBTA CNOP JV	Civil engineering	78%	Australia
FLO – Thames Tideway Tunnel	Civil engineering	50%	United Kingdom

The registered address of those registered in Jersey is Level 4, International Finance Centre 1, St Helier, Jersey JE2 3BX.

The registered address of those registered in England and Wales is Bridge Place, Anchor Boulevard, Admirals Park, Dartford, Kent DA2 6SN excluding Alder Hey (Special Purpose Vehicle) Limited whose registered address is 8 White Oak Square, London Road, Swanley, Kent BR8 7AG.

The registered address of those registered in Australia is Level 21, 100 Mount Street, North Sydney, NSW 2060, Australia.

The registered address of Emirates Precast Construction L.L.C. is P.O. Box 10062, Jebel Ali Industrial Area 2, Dubai, U.A.E.

The registered address of Suffolk Partners Three Limited is Trident Chambers, P.O. Box 146, Road Town, Tortola, VG1110, British Virgin Islands.

The registered address of those registered in Canada is 1031 Saint-Denis Street, Montreal, Quebec, Canada.

The registered address of Laing O'Rourke Insurance Limited is Mill Court, La Charroterie, St Peter Port, Guernsey GY1 4ND.

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LAING O'ROURKE
