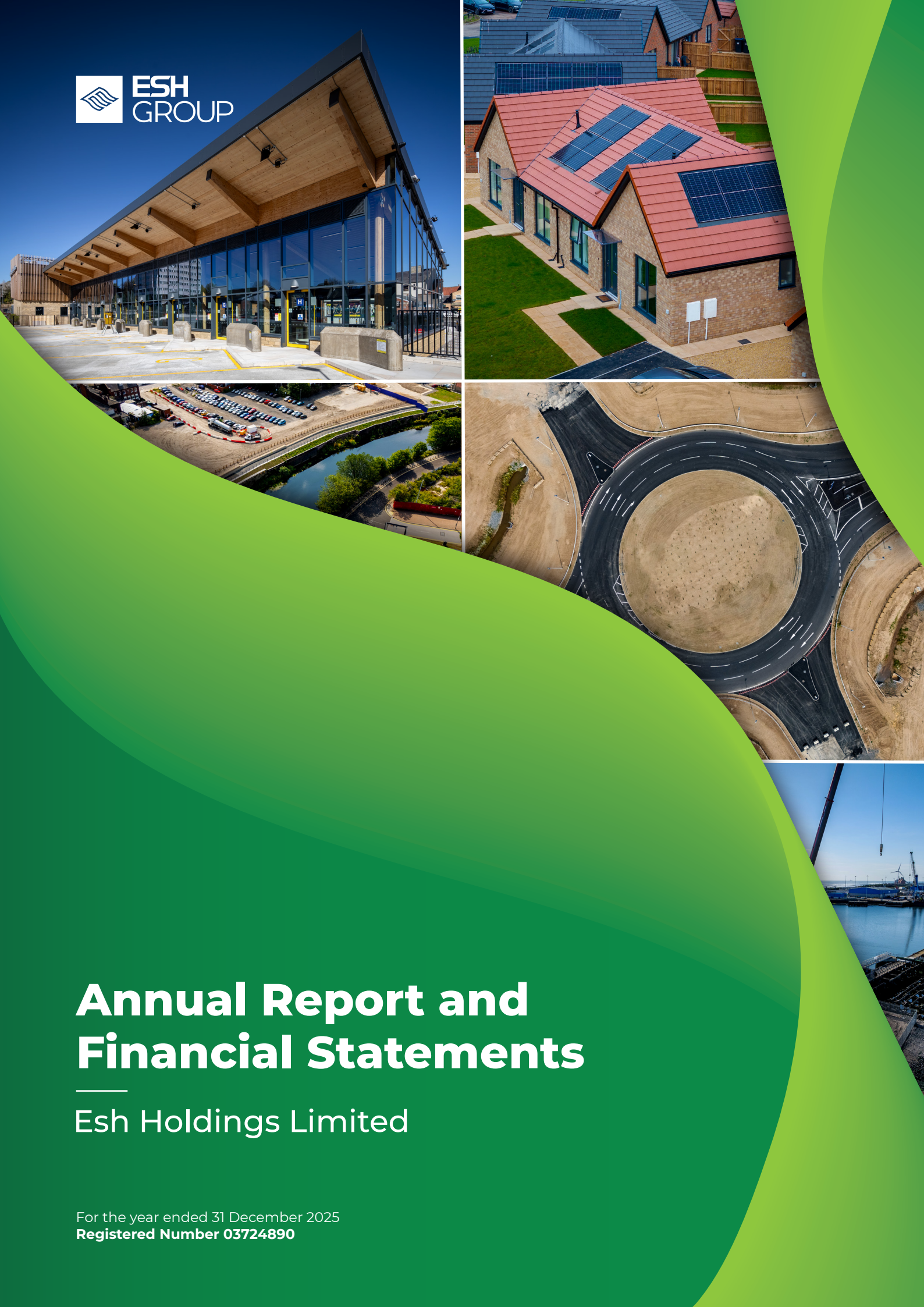




Annual Report and Financial Statements

Esh Holdings Limited

For the year ended 31 December 2025
Registered Number 03724890

Esh Holdings Limited

Annual report and financial statements

for the year ended 31 December 2025

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Esh Holdings Limited

Strategic Report

The directors present their strategic report for the year ended 31 December 2025.

Principal activities

The principal activities of the group during the year were infrastructure, house building, and general construction.

The principal activities of the Company are holding investments and the provision of management and support services to the trading group.

Corporate Overview

The Group entered 2025 from a position of increasing strength. Whilst broader economic conditions remained mixed, with continuing uncertainty surrounding interest rates, public sector finances, regulatory reform and skills availability, the Group benefited from the successful execution of the strategic transformation undertaken over recent years.

Demand across the Group's core market sectors remained resilient. Significant investment in wastewater infrastructure, environmental infrastructure, affordable housing, public realm regeneration and local authority infrastructure continued to provide attractive long-term opportunities. At the same time, the Group's disciplined approach to contract selection and risk management ensured that growth was delivered in a controlled and profitable manner.

The Board has consistently maintained that sustainable success is achieved through a combination of high-quality delivery, industry leading health and safety, first class talent pools, strong client relationships, prudent financial management and disciplined contract selection.

The performance achieved during 2025 provides strong evidence that this strategy continues to deliver significant value for all stakeholders.

Throughout the year, the Group remained focused on its guiding principles of securing work with the Right Client, at the Right Price and under the Right Contract. These principles, combined with continued investment in quality, safety, people, plant and technology, have enabled the Group to strengthen its market position across all of its core operating segments.

Esh Holdings Limited

Strategic report (Continued)

Key performance indicators

	2025	2024
	£	£
Turnover, including share of joint ventures	£346m	£300.4m
Change in turnover	15.3%	2.7%
Gross profit margin	10.7%	7.9%
Operating profit	£16.7m	£5.2m
Profit before taxation attributable to owners of the parent	£15.1m	£5.0m
Cash at bank and in hand	£52.1m	£35.7m
Net cash (used in) / generated from operating activities	£22.4m	£16.0m

Business Review

The Group delivered the strongest financial performance in its history during 2025.

Turnover exceeded £340m, representing a record level of activity across the business. This growth was supported by strong performances in both the Group's Infrastructure and Housing divisions, together with continued expansion across Yorkshire and further development of the Group's land-led housing delivery model.

Profitability also reached record levels, reflecting both volume growth and continued margin expansion, all attributable to our disciplined approach to project selection, strong operational delivery, enhanced quality controls and highly supportive supply chain relationships.

Cash generation remained a particular strength. The Group achieved its highest ever cash balances, with liquidity exceeding £58m at year end. This performance reflects our continued focus on working capital management, strong cash collection procedures and disciplined commercial controls across all operating divisions. The Group's liquidity position provides significant resilience and flexibility to support future growth opportunities.

Pre-tax profits for the year were £15m, an increase of £10m over the previous year.

Divisional Overviews

Infrastructure

Our Infrastructure division delivered an exceptional performance, achieving record turnover and profitability. Growth was driven by continued investment in wastewater and environmental infrastructure, strong delivery performances across major projects and the successful renewal and expansion of key framework agreements, notably anchored by our position on the 10 year Northumbrian Water strategic investment framework, the renewal of our number one position on the North East Procurement Organisation (NEPO) framework, and our newly appointed position on the YorCivils major projects framework. All of these frameworks provide long term revenue visibility for the group.

Esh Holdings Limited

Strategic report (Continued)

Housing

Within our Housing division, both the North East and Yorkshire operations delivered strong growth. The Group's strategic focus on framework partnerships, negotiated contracts and land-led developments continued to reduce risk while enhancing margins and improving pipeline certainty. Customer satisfaction, quality performance and aftercare delivery all improved materially during the year, strengthening relationships with key Registered Provider (RP) partners.

Homes by Esh, the group's private development joint venture with Darlington Borough Council continued to demonstrate resilience despite ongoing challenges within the private housing market. Strong customer demand, well located sites with a premium product offering, excellent customer experience and careful management of development activity enabled the business to perform above expectations. The Group remains confident in the medium to long-term fundamentals of the North East housing market and continues to identify attractive opportunities for future growth.

Corporate Office

During the year, the Group made its largest ever annual investment in plant, machinery and vehicles. This investment supports future growth, improves operational efficiency, strengthens self-delivery capability and enhances service delivery to clients. Significant investment was also made in technology, cyber security, operational systems and data management to support continued business improvement.

Health, safety and quality remain central to the Group's operating culture. Whilst overall safety performance remained strong with some exceptionally high safety scores achieved across a broad range of our sites, alongside quality metrics also improving across many areas of the business, a small number of unrelated serious incidents occurred during the year. Whilst none of these incidents were systemic in nature, nor did they result in any regulatory intervention, they served to remind us of our duty to ourselves and others in upholding our industry leading safety standards. The Board continues to reinforce its commitment to ensuring that every employee returns home safely each day (ESH SAFE : Everyone Safely Home) and remains focused on driving continuous improvement across all aspects of health, safety and wellbeing.

The Group also continued to make substantial progress against its sustainability and social value objectives. Carbon reduction initiatives, including operational efficiency programmes and fleet management improvements, delivered measurable benefits during the year. Meanwhile, the Group's Constructing Local programme continued to provide significant support to communities across its operating regions through education, employment, skills and community investment initiatives.

Esh Holdings Limited

Strategic report (Continued)

Future Developments - Financial Year 2026 Outlook

The Group enters 2026 with the strongest secured order book in its history, and a high degree of confidence in future performance.

Visibility of future workloads remains exceptionally strong across all core operating segments, supported by long-term framework agreements, strategic client relationships and a growing pipeline of land-led opportunities. The Group expects further growth in turnover during 2026 whilst maintaining strong levels of profitability and cash generation.

The Board remains alive to the broader economic uncertainties that persist, particularly the risks arising from the conflict in the middle east. Whilst the conflict will inexorably lead to some level of input cost inflation, the impact, so far, has been limited to a small number of commodity groups, and with our experience of managing the last round of cost inflation still fresh, we have a broad range of tools at our disposal for managing emerging inflationary pressures. alongside our well proven abilities to navigate other persistent industry challenges such as skills availability, regulatory changes and other geopolitical risks.

The Group also maintains an in-built resilience from its strong balance sheet, record liquidity, diversified business model and disciplined risk management approach, all of which positions us well to mitigate emerging risks

Our continued investment in people, plant, technology and operational excellence will also remain a key priority, as will our exploration of the world of artificial intelligence (AI) to drive efficiencies and an enhanced customer experience.

The Group believes that maintaining the highest standards of safety, quality and customer service, alongside its disciplined approach to contract selection and financial management, will continue to provide the foundations for sustainable long-term growth.

Accordingly, the Board remains confident in the Group's prospects and expects another successful year of trading in 2026.

Principal risks and uncertainties

The construction industry is exposed to a broad range of risks and uncertainties, but the group's business model is designed to address these risks and to mitigate them as far as possible. This strategy has, and continues to work for the benefit of all stakeholders involved with the business.

The principal risks faced by the group and the action taken to mitigate these are presented in the table on the following pages. These are considered to be the most important to the future development and performance of the business.

Esh Holdings Limited

Strategic report (Continued)

Risk description	How it is mitigated
<i>Project execution</i>	
The group undertakes construction, refurbishment and maintenance projects. We need to continue to deliver these within programmes and match or exceed clients' requirements, profitably and within agreed financial parameters. Successful delivery of many of these projects depends on the successful implementation and maintenance of a range of operational and commercial procedures and controls.	Each business unit has defined operating procedures to address the risks inherent in project delivery. Furthermore, a well-established commercial and financial risk management framework is in operation, using structured review meetings and reporting, with key risks identified early in the project delivery. We also have public indemnity cover to provide further safeguards.
<i>Tendering</i>	
Through our different business units, we seek to win profitable work through a large number of competitive tenders and contract negotiations. This depends on our ability to price and add value in our tender offering, driven by an efficient operating model, and a clear focus on quality delivery, social and economic added value.	All bids are subject to proven, rigorous estimating and tendering processes within a defined framework, using skilled resources. We have delegated authority levels for approving all tenders and a formal tender review process. The group's Deputy CEO reviews all tenders above £1m. We undertake reviews following both successful and unsuccessful tenders to ensure we learn from them and apply those lessons to future tenders. Our culture of delivering social value within the communities in which we work provides a point of differentiation from many of our competitors, producing upper quartile tender success rates. The group has also increased the amount of turnover that is secured via 'land led', directly negotiated or two-stage tender routes, which significantly reduces the risks and challenges associated with pure competitively tendered projects. The group maintains strict controls around risk pricing, particularly associated with input cost inflation and resource availability, ensuring that the significant impact of recent inflationary pressures and shortages is mitigated going forward.
<i>People</i>	
We need to recruit and retain the best management and employees. These members of staff should have appropriate competencies and also share our values and behaviours.	We measure all potential recruits for key roles in the organisation against a competency framework. We undertake staff appraisals to review the roles, competencies, performances and potential of personnel. We have a well-developed succession planning process to identify and develop high potential personnel to fill key roles. People matters are reviewed regularly and discussed at all levels within the organisation and by the Board. We have appropriate remuneration and incentive packages, which includes the selective allocation of growth equity, to help us attract and retain key employees. We also use a well-connected group of recruitment consultants and advisors to ensure we connect with the best talent within the industry. The future growth in revenues will require additional resources, which is assessed and planned as part of a group wide organisation review process

Esh Holdings Limited

Strategic report (Continued)

Risk description	How it is mitigated
<i>Supply chain</i>	
We are reliant on our supply chain partners for successful operational delivery, which means we are also exposed to a variety of risks in the supply chain. The group is also exposed to the global issue of cost price inflation	Our strategic supply chain management processes, where possible, aligns us to large, robust suppliers whose access to material and resources is preferred given their size and scale; a factor equally supported by our own size, regional presence and buying capacity. We develop long-term relationships with our subcontractors, working closely with them to understand their operations and work with them to ensure their capacity planning can be optimised. We aim to work as much as possible with preferred suppliers and subcontractors who undergo rigorous, risk-based prequalification processes and share our values. We aim to avoid becoming over reliant on any one supplier or subcontractor. Through selective procurement allocation, we have been able to leverage strong commitment from our supply chain to ensure maximum availability of materials and labour. The group has robust forward planning processes to provide our supply chains with as much forward visibility as possible, significantly mitigating the risk of supply shortages. Moreover, we have, where sensible, concentrated spend with core suppliers to maximise rebate opportunities, which has served to mitigate the impact of inflation over recent years. The group also carries out comprehensive procurement strategy reviews, detailing opportunities for cost down, inflation mitigation, price benchmarking, specification changes and supply re-sourcing.
<i>Health and safety</i>	
The group works on projects which require continuous monitoring and management of health and safety risks.	The group has a highly developed health, safety and environmental process. This process is underpinned by documented procedures and working practices. Policy is set by the Board and cascaded through the organisation via a team of dedicated health and safety professionals, who continually audit and review on site operations for compliance, as well as liaising with external verification bodies. Accident frequency rates remain well below the industry average. Health and safety remains the first agenda item at all board meetings, and is a critical focus for all directors. Main board directors, including the CEO, regularly carry out site visits to validate and verify safety compliance and standards
<i>Regulatory, market and economic</i>	
The Group operates in markets and segments that are influenced by a range of external factors. The resilience and performance of the construction sector, and the housing market in particular, is at risk from regulatory change, political change and the impact of monetary policy and financial system regulation.	The Group maintains a diversified portfolio of operating activities, some of which behave in a counter cyclical manner, and most of which are aligned to well-funded, blue chip client bases. The board is alive to the challenges currently faced by the private housing market, and has plans in place to mitigate the impact of any material decline by shifting resources to carry out intercompany work, as well as rightsizing the operating cost base to align to any significant reduction in turnover. Moreover, the group is confident that its balanced portfolio of revenues will permit a reasonable smoothing of cyclical patterns across industry segments, with other revenue streams rising to compensate for falls elsewhere.

Esh Holdings Limited

Strategic report (Continued)

Risk description	How it is mitigated
<i>Business process and IT systems</i>	
To continue to expand the business, Esh Group acknowledge that information and associated technology must be robust and meet business needs.	The Group has invested in modernising its technology estate, integrating previously fragmented processes and improving the efficiency of the end to end 'order to cash' lifecycle. This provides a robust platform to support ongoing growth. The Board remains focused on cyber security risks and has strengthened the Group's control environment through upgraded firewall infrastructure, enhanced system hardening, and third party patch management. An ongoing phishing simulation and user training programme is in place, alongside measures to address insider threats and enhancements to business continuity and disaster recovery planning.

Esh Holdings Limited

Strategic report (continued)

Streamlined Energy and Carbon Reporting (SECR) disclosure

Quantification and reporting methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2025 UK Government's Conversion Factors for Company Reporting.

Operational scopes:

We have measured our scopes 1, 2 and certain scope 3 emissions.

	Current year	Previous year
UK Greenhouse gas emissions and energy use data for the period 1st January to 31st December	2025	2024
Energy consumption used to calculate emissions (kWh)	38,515,522	35,321,368
Energy consumption breakdown (kWh):		
• gas	196,747	211,891
• electricity	195,626	148,179
• wood burning	0	0
• purchased fuel	38,123,149	34,961,298
SCOPE 1 emissions in metric tonnes CO ₂ e		
Gas consumption	36.00	38.75
Purchased fuel - diesel, petrol & gas oil	8,051.95	7,513.83
Wood burning	0	0
Total Scope 1	8,087.95	7,552.58
SCOPE 2 emissions in metric tonnes CO ₂ e		
Purchased electricity	34.63	30.68
Total Scope 2	34.63	30.68
SCOPE 3 emissions in metric tonnes CO ₂ e		
Business Travel in employee owned vehicles	1,670.61	1,529.26
Total Scope 3	1,670.61	1,529.26
Total gross emissions in metric tonnes CO₂e	9,793.18	9,112.52
Intensity ratio Tonnes per employee	12.09	11.91

Esh Holdings Limited

Strategic report (continued)

Section 172 (1) statement

The Esh Group board believes that all matters it is responsible for under Section 172 (1) of the Companies Act 2006 have been considered to an appropriate extent. Each director, acting in good faith, promotes the success of the company for the benefit of its stakeholders as a whole, and in doing so has regard to relevant matters where appropriate. To the extent necessary for an understanding of the development, performance and position of Esh Holdings, examples of how the board has considered the matters set out in Section 172 (1) are detailed in the table below:

Considering likely consequences of any decision in the long term	The group has a strong culture of monthly forecasting and has a 3 year strategic plan. The consequences of changes to monthly forecasts are therefore considered for longer term impact on the 3 year plan and beyond.
Taking the interests of the Esh Group's employees into account	Employee feedback is actively sought through staff surveys, team meetings and informal communication. The Leadership Team of the Esh Group take this feedback seriously and have an ongoing improvement plan for further enhancing employee engagement.
Fostering the company's business relationships with suppliers, customers and others, and maintaining a reputation for high standards of business conduct	As outlined in the Corporate Governance section of this report, the group maintains and enforces a suite of policies, notably on ethical behaviour.
The impact of Esh Group on the community and the environment	'Constructing Local' is a key strategic initiative of the Group, as outlined in the Strategic report. This places the communities and stakeholders in the geographies that we operate at the heart of all that we do.
Acting fairly as between members of the company	The Esh Holdings board includes representatives of all material shareholders. There is a Board ethos of openness, transparency and consensus decision making such that all major decisions require unanimous approval. Minority shareholders are, in the main, also employees of the company and often consulted through other mediums described above, however, due legal processes are followed when required by Company Law or the Articles of Association.



A Radcliffe (Jul 7, 2026 16:05:29 GMT+1)

AE Radcliffe
Director

7th July 2026

Esh Holdings Limited

Corporate Governance

Esh Group Guiding Principles

The Esh Group Board are committed to maintaining and, where appropriate, improving standards of Corporate Governance. Whilst adherence to the Combined Code on Corporate Governance issued by the Financial Reporting Council is not obligatory for Esh Group, embracing the spirit of the Code ensures the creation and maintenance of sound business systems and an appropriate level of embedded internal control.

The governance model outlined below has been designed by the Esh Group Board as an adaptation of the traditional best practice, three lines of defence to risk management.

Esh Group Sector Directors and Management

Sector Directors and Management own the risks and take responsibility for directly assessing, controlling and mitigating risks in their areas by way of organisation strength, a strong and well understood chain of command and strict oversight and scrutiny. They employ a range of internal controls which are built into the design of the control environment using either manual processes or system generated control, which forms the first line of defence in the Esh Group governance model to manage risks.

Esh Group maintains a program of continuous improvement in respect of all its internal control.

The Esh Group Board and Group Policies

The Board consists of both Executive and Non-Executive members and therefore draws on a wide range of experience both internally and externally when considering the establishment of Group Strategy and Policy. It has established the foundations that are the core of Esh Group in terms of its culture, vision and values. The Esh Group Corporate Values are documented and communicated directly to all employees, workers and business partners.

The Board delegate to the Sector Directors and Management, the day to day operation of the businesses within clear well-defined authority limits. Where appropriate, business decisions are reached following a structured and documented review of potential opportunities and threats. The process is designed to manage or mitigate any residual risk exposure identified.

However, the Board retains a schedule of matters reserved for its approval only, namely; the company strategy and review of performance, the appointment of key executives, approval of accounts, approval of the business plan, budget and financial policies, consideration of potential major projects, acquisitions or disposals of business sectors, opportunities in new markets, health and safety, the environment, business ethics, risk management, human rights and other social issues.

The Board set Group Policies and formal delegations of authority as appropriate to all companies, subsidiaries and associations. The Group Policies provided by the Board, require that all procedures and systems of control must be built and operated in line with any mandatory requirements and these therefore formulate a second line of defence in the Esh Group governance model.

Internal and independent of operational management, are a range of Group functional teams. These include teams in Health, Safety Quality and Environment, Commercial, HR, IT and Finance. All compliance teams report directly to the Board and have access to expert or specialist resources from professional advisors as required. The Compliance team will assess the adherence to Group Policies and Procedures. The outcome of compliance assessments will be reported to the Board and an appropriate action plan devised with management, who are supported through to implementation. These compliance teams bring up the third line of defence in the Esh Group governance model.

Deviation from any aspect of a Group Policy requires the express consent of the Chief Executive Officer in writing in advance.

Esh Holdings Limited

Corporate Governance (continued)

The Esh Group Board and Group Policies (continued)

All Group Policies are also publicly available in full detail on our website and intranet, but specific comment is made on the following core areas:

Employment Policies and Procedures

For all our employees, across all companies in the Group, there is a comprehensive Employee Handbook. This Handbook explains the required and mandatory standards of employee and manager behaviour and incorporates specifically: the Esh Group Values, Employee Code of Conduct and aspects of Health, Safety and Wellbeing.

It is also required that all workers for Esh Group, irrespective of engagement status, that they understand and comply with the above standards where they are appropriate for their role.

The Group supplements the Employee Handbook with other related policies or statements covering Slavery & Human Trafficking, Gender Pay and Equality & Diversity.

Ethical Governance Approach

Through the Ethical Governance Approach, the highest standards of integrity and accountability are put into practice by the Board. These standards are expected to be adopted and adhered to by all company directors, employees and third parties, including sub-contractors and their workers, and are evident throughout all relevant Group Policies.

A range of whistle blowing, anti-corruption and bribery policies and procedures support a culture of open, honest and fair dealing. These policies and procedures are designed to minimise the risks of fraud or corruption occurring, as well as to maximise the rate of detection and subsequent corrective action. Any employee, worker or member of the public is encouraged to speak out if they see any wrong-doing or area of concern and to enable this, the Group provides a range of reporting routes to facilitate this in a safe, appropriate and confidential manner.

Health and Safety Policy and Procedures

It is Esh Group Policy that its operations shall be conducted in such a way as to ensure, so far as is reasonably practicable, the health, safety and welfare of all its employees, subcontractors and site visitors and that its activities will not adversely affect the health and safety of others i.e. members of the public, children and any other interested parties. We believe there is no conflict between our requirement to keep our workforce and members of the public safe and our long-term financial success.

The Group recognises the importance of health and safety in all its undertakings. It relies upon the active participation of management and workforce including sub-contractors to maintain safe working practices and procedures in order to fulfil its legal obligations under the Health & Safety at Work Act 1974 and all other relevant health and safety legislation. In addition to fulfilling its legal obligations, the aim of the Group is to achieve best health and safety practice in all that it does primarily through adherence to ESH SAFE – Everyone Safely Home our bespoke brand and commitment.

Esh Holdings Limited

Directors and advisors

Michael Hogan, Non-Executive Chairman | Tenure: 55-years

Michael is a Founder Director. He set up a fencing contracting business in 1970 and later formed Dunelm Homes and Deerness Fencing. In 1999, he formed Dunelm Castle Homes, a joint venture with Lumsden & Carroll. The relationship with Lumsden & Carroll was formalised later that year with the formation of Esh Holdings, and Michael was previously Group Chairman until 2004.

Andy Radcliffe | Group Chief Executive Officer | Tenure: 15-years

Andrew (Andy) Radcliffe joined Esh Group in 2010 from Moores Furniture Group Limited in Wetherby, where he was Group Finance Director. Andy has extensive experience in several industry sectors and was awarded Yorkshire Finance Director of the Year in 2009. In May 2017, Andy assumed the role of Group Chief Executive Officer.

Stephen Wilkie | Executive Director | Tenure: 38-years

Stephen joined Lumsden and Carroll in 1987 as a trainee Engineer and was appointed Managing Director in 2008. In 2016 he was additionally appointed Executive Director of Esh Group's construction business. Stephen was a board member of CECA for 11 years and is also a Director of Esh Constructions utility JV company, Esh-Stantec. Stephen now oversees the Construction activities of Esh Construction.

Phil Brown | Executive Director | Tenure: 20-years

Phil is also a Fellow of the Chartered Institute of Building with over 20 years experience in the private residential sector and with extensive experience within both the public and private sector. Phil joined Esh 19 years ago and is the Executive Director with responsibility for our Private House building business.

Tony Carroll Jnr | Non-Executive Director | Tenure: 33-years

As a family member of Founder Director Tony Carroll Snr, Tony Jnr joined the Board during 2017. Tony joined the company in 1992, currently enjoying the position of Health & Safety Manager.

John Lumsden Jnr | Non-Executive Director | Tenure: 34-years

As a family member of Founder Director John (Jack) Lumsden Snr, John Jnr joined the Board during 2017. John is a full-time employee, having joined the company in 1991, John retired from active duties during 2024.

Trading Name

Esh Group is a trading name of Esh Holdings Limited.

Company secretary of Esh Holdings Limited

A Law

Independent auditors

Armstrong Watson Audit limited
First Floor
One Strawberry Lane
Newcastle upon Tyne
NE1 4BX

Esh Holdings Limited

Directors and advisors (continued)

Legal advisors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Swinburne Maddison LLP
Venture House
Aykley Heads Business Centre
Durham
DH1 5TS

Bankers

Lloyds Bank plc
15-21 Northumberland St
Monument Mall
Newcastle upon Tyne
NE1 7DE

Bibby Financial Services
3rd Floor
Walker House
Exchange Flags
Liverpool
L2 3YL

Esh Holdings Limited

Directors' report

The directors present their directors' report and audited financial statements for the year ended 31 December 2025.

Principal activities

The principal activities of the group during the year were infrastructure, house building, and general construction.

The principal activities of the Company are holding investments and the provision of management and support services to the trading group.

Financial instruments

The Group's financial instruments comprise of cash, bank funding facility, asset finance facilities, share capital, and various items that arise directly from operations (such as trade debtors, trade creditors etc). The main purpose of these financial instruments is to raise finance for the Group's operations and to manage interest rate risk.

The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged throughout the year.

Interest rate risk

The Group finances its operations through a mixture of retained profits, share capital, and access to a bank funding facility. The Board, in agreement with their funders, have agreed that the short- to medium-term outlook for interest rates negates the need to initiate any hedging instruments. The Group's finance lease borrowings are at fixed interest rates.

Liquidity risk

The group currently has an asset backed loan facility of £6m. This allows the group to draw down loan against the level of debtors which are outstanding at any time. The facility is due for renewal in July 2026. At the date of this report, the Group is in final stages of agreeing a new facility with Lloyds Bank, the current main banking facility provider. The new facility will be a £10m revolving credit facility, with an available term of 5 years. It is expected that this facility will be completed in July 2026.

At 31 December 2025, the Group had cash at bank and in hand of £52.1m, which is expected to be more than sufficient to fund the working capital needs for the Group.

Credit risk

The Group trades largely with public funded and quasi-public-sector organisations. Whilst the Group engages with private clients, these are credit risk assessed before trading commences and the directors believe that any credit risk is effectively managed. Exposure to credit risk is therefore believed to be limited.

Paid dividends

Dividends of £8m were paid during the year (2024 nil).

Share capital

On 27th May 2025, the company reduced its share capital by £22,256,000. This reduction saw an increase in distributable reserves of £22,256,000.

Result for the year

The result for the year is set out in the Strategic report.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Esh Holdings Limited

Directors' report (continued)

Directors

The directors who were in office during the year and up to the date of signing the financial statements were as follows:

AE Radcliffe
ST Wilkie
PJ Brown
MF Hogan
JG Lumsden Jnr.
AJ Carroll Jnr.

All of the directors benefited from qualifying third-party indemnity provisions during the year and at the date of approval of the document.

Employees

The Company gives full consideration to applications for employment from people with disabilities where the requirements of the job can be adequately fulfilled. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to employees with disabilities wherever appropriate.

During the year, the policy of providing employees with information about the Company has been continued through internal media methods and holding regular meetings to review the Company's performance. Employees participate in the success of the business through the Company's bonus scheme.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS "the Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company, and of the profit or loss of the Group and Company for that period. In preparing these financial statements, the directors are required to:

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

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

Esh Holdings Limited

Directors' report (continued)

Statement of directors' responsibilities (continued)

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

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Future developments

The future developments of the entity are disclosed within the Strategic Report.

Independent auditors

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

On behalf of the board



[A Radcliffe \(Jul 7, 2026 16:05:29 GMT+1\)](#)

AE Radcliffe
Director
7th July 2026

Esh House
Bowburn North Industrial Estate
Bowburn
Durham
United Kingdom
DH6 5PF

Esh Holdings Limited

Independent auditors' report to the directors of Esh Holdings Limited

Opinion

We have audited the financial statements of Esh Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Esh Holdings Limited

Independent Auditors' Report to the Directors of Esh Holdings limited (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Esh Holdings Limited

Independent Auditors' Report to the Directors of Esh Holdings limited (continued)

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with directors and other management, and from our knowledge and understanding of the industry;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions, and tested the operating effectiveness of key controls on a sample basis;
- reviewed the application of accounting policies with focus on those with heightened estimation uncertainty.

Esh Holdings Limited

Independent Auditors' Report to the Directors of Esh Holdings limited (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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


Simon Turner (Jul 7, 2026 16:11:08 GMT+1)

Simon Turner (Senior Statutory Auditor)
For and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Newcastle

7th July 2026

Esh Holdings Limited

Consolidated statement of comprehensive income for the year ended 31 December 2025

		2025	2024
	Note	£'000	£'000
Turnover			
Group and share of joint ventures		346,302	300,376
Less: Share of joint ventures' turnover		(35,669)	(35,166)
Group Turnover	1	310,633	265,210
Cost of sales		(277,265)	(244,335)
Gross Profit		33,368	20,875
Administrative expenses		(19,959)	(17,704)
Share of operating profit in joint ventures		3,320	2,071
Operating profit	2	16,729	5,242
Profit on sale of fixed assets		165	57
(Loss) / gain on value of investments	12	(1,600)	120
Interest receivable and similar income	5	972	607
Interest payable and similar expenses	6	(1,200)	(991)
Profit before taxation attributable to owners of the parent		15,066	5,035
Tax on profit attributable to owners of the parent	7	(3,541)	(899)
Profit for the financial year attributable to owners of the parent		11,525	4,136

All results derive from continuing operations.

Esh Holdings Limited

Consolidated balance sheet as at 31 December 2025

			2025		2024
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		10,607		8,191
Investment properties	11		387		387
Investments in joint ventures and participating interests	12	3,425		3960	
Loans to joint ventures and participating interests	12	9,395		10,995	
Total investments in joint ventures and participating interests			12,820		14,955
Total fixed assets and investments			23,814		23,533
Current assets					
Stocks	13	734		699	
Debtors: amounts falling due within one year	14	53,004		50,401	
Cash at bank and in hand		52,136		35,727	
		105,874		86,827	
Creditors: amounts falling due within one year	15	(82,057)		(68,884)	
Net current assets			23,817		17,943
Total assets less current liabilities			47,631		41,476
Creditors: amounts falling due after one year	16		(4,329)		(1,499)
Net assets			43,302		39,977
Capital and reserves					
Called up share capital	18		-		22,256
Share premium account			-		29
Employment benefit trust reserve	18		(841)		(641)
Retained earnings			44,143		18,333
Total shareholders' funds			43,302		39,977

The financial statements on pages 21 to 60 were approved by the board of directors on 7th July 2026 and were signed on its behalf by:

A Radcliffe
A Radcliffe (Jul 7, 2026 16:05:29 GMT+1)

AE Radcliffe

Director

Company registered number: **03724890**

Esh Holdings Limited

Company balance sheet as at 31 December 2025

			2025	2024
	Note	£'000	£'000	£'000
Fixed assets				
Tangible assets	10		4,542	4,560
Investment properties	11		387	387
Investments	12		3,735	3,800
			8,664	8,747
Current assets				
Debtors: amounts falling due within one year	14	26,118		27,719
Cash at bank and in hand		74		175
		26,192		27,894
Creditors: amounts falling due within one year	15	(24,481)		(23,463)
Net current assets			1,711	4,431
Total assets less current liabilities			10,375	13,178
Creditors: amounts falling due after one year			-	-
Net assets			10,375	13,178
Capital and reserves				
Called up share capital	18		-	22,256
Share premium account			-	29
Employment benefit trust reserve	18		(841)	(641)
Retained earnings			11,216	(8,466)
Total shareholders' funds			10,375	13,178

The financial statements on pages 21 to 60 were approved by the board of directors on 7th July 2026 and were signed on its behalf by:

A Radcliffe

A Radcliffe (Jul 7, 2026 16:05:29 GMT+1)

A E Radcliffe

Director

Company registered number: **03724890**

Esh Holdings Limited

Consolidated Statement of changes in equity for the year ended 31 December 2025

	Called up share capital	Share premium account	Employment benefit trust reserve	Retained earning	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2024	22,256	29	(641)	14,197	35,841
Profit for the financial year	-	-	-	4,136	4,136
Total comprehensive income for the year	-	-	-	4,136	4,136
Balance at 31 December 2024	22,256	29	(641)	18,333	39,977
Profit for the financial year	-	-	-	11,525	11,525
Dividends paid	-	-	-	(8,000)	(8,000)
Share capital reduction	(22,256)	(29)	(200)	22,285	(200)
Total comprehensive income for the year	(22,256)	(29)	(200)	25,810	3,325
Balance at 31 December 2025	-	-	(841)	44,143	43,302

Esh Holdings Limited

Company Statement of changes in equity for the year ended 31 December 2025

	Called up share capital	Share premium account	Employment benefit trust reserve	Retained earning	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2024	22,256	29	(641)	(7,044)	14,600
Loss for the financial year	-	-	-	(1,422)	(1,422)
Total comprehensive expense for the year	-	-	-	(1,422)	(1,422)
Balance at 31 December 2024	22,256	29	(641)	(8,466)	13,178
Profit for the financial year	-	-	-	5,397	5,397
Dividends paid				(8,000)	(8,000)
Share capital reduction	(22,256)	(29)	(200)	22,285	(200)
Total comprehensive expense for the year	(22,256)	(29)	(200)	19,682	(2,803)
Balance at 31 December 2025	-	-	(841)	11,216	10,375

Esh Holdings Limited

Consolidated statement of cash flows for the year ended 31 December 2025

		2025	2024
	Note	£'000	£'000
Cash generated from operating activities	19	22,426	15,409
Taxation (paid) / received		(33)	631
Cash generated from operating activities		22,393	16,040
Cashflow from investing activities			
Purchase of tangible assets		(359)	(44)
Proceeds from disposals of tangible assets		328	250
Disposal of investments		-	1,312
Interest received		888	458
Dividends received		2,504	1,034
Cash generated from investing activities		3,361	3,010
Cashflow from financing activities			
Dividends paid		(8,000)	-
Repayment of bank borrowings/debt capitalisation		(1,029)	(39)
Interest paid		(316)	(175)
Net cash used in financing activities		(9,345)	(214)
Net increase in cash at bank and in hand		16,409	18,836
Cash and cash equivalents at the beginning of the year		35,727	16,891
Cash and cash equivalents at the end of the year		52,136	35,727

Esh Holdings Limited

Statement of accounting policies

General information

Esh Holdings Limited (the “Company”) is a private company limited by shares and is incorporated in The United Kingdom. The address of its registered office is Esh House, Bowburn North Industrial Estate, Bowburn, Durham, DH6 5PF.

The principal activities of the Group during the year were infrastructure, house building, and general construction. The principal activity of the Company is that of holding investments.

These financial statements are presented in Sterling (£) and rounded to the nearest one thousand (£1,000).

Statement of compliance

The Group and individual financial statements of Esh Holdings Limited have been prepared in compliance with the applicable United Kingdom Accounting Standards including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006.

Summary of significant accounting policies

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

Basis of preparation

These consolidated and separate financial statements are prepared on the going concern basis, in accordance with applicable UK Accounting Standards, under the historical cost convention as modified by recognition of investment properties and some financial asset and financial liabilities at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in policy “Critical judgements and estimates in applying the accounting policies” within this note.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of comprehensive income.

Going concern

Further information on the group’s business activities, together with factors likely to affect its future development are set out in the Strategic Report and the Directors’ Report.

The Group’s continuing operations achieved EBITDA of £18.0m (2024:£6.1m) and closing net assets were £43.3m (2024: £40.0m). The group trades with a large number of customers and suppliers across a number of sectors and expects to meet day to day working capital requirements through existing considerable cash reserves, which totalled £52.1m (2024: £35.7m).

The Group has access to a £6m loan facility which is secured against assets within the business and which can be drawn down against the outstanding client applications and sales invoices of Esh Construction Limited. This facility was undrawn at the balance sheet, and as such the group had liquidity available to it of £58.1m at that date. The Group forecasts suggest that this facility will not need to be drawn upon to meet its day to day operating needs. The facility is due for renewal in July 2026. At the date of this report, the Group is in final stages of agreeing a new facility with Lloyds Bank, the current main banking facility provider. The new facility will be a £10m revolving credit facility, with an available term of 5 years. It is expected that this facility will be completed in July 2026.

Esh Holdings Limited

Statement of accounting policies (continued)

Going concern (continued)

The directors prepare and review rolling forecasts, for a period beyond 36 months. Review of these, and after making further detailed enquiries, taking into account the factors discussed above, they have a reasonable expectation that both the Parent Company and Group have adequate resources to continue in operational existence for the foreseeable future and accordingly continue to prepare the Parent Company and Group financial statements on a going concern basis.

Basis of consolidation

The Group financial statements consolidate the financial statements of the company and each of its subsidiary undertakings together with the Group's share of the results of joint venture undertakings and associates made up to 31 December.

(i) *Subsidiaries*

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary.

Investments in subsidiary undertakings are stated at cost, including those costs associated with the acquisitions, less provision for any impairment in value. Where events or changes in circumstances indicate that the carrying amount of an investment may not be recoverable, an impairment review is performed. An impairment write down is recognised to the extent that the carrying amount of the asset exceeds the higher of the fair value less cost to sell and value in use.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated statement of comprehensive income. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in the retained earnings that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the Group control is accounted for as a business combination. Thereafter where the Group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

(ii) *Joint arrangements*

Investments in joint arrangements can take the form of jointly controlled operations, jointly controlled assets, or jointly controlled entities. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Esh Holdings Limited has joint venture classified as jointly controlled entities. Interests in jointly controlled entities are accounted for using the equity method (mentioned below) after initially being recognised at cost in the consolidated balance sheet.

(iii) *Participating interests*

A participating interest is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting (mentioned below).

Esh Holdings Limited

Statement of accounting policies (continued)

Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost (including transaction costs) and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the profit or loss. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy "Impairment of non-financial assets" mentioned within this note.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where the Group has established employee benefit trusts ('EBT') and/or is the sponsoring entity, notwithstanding the legal duties of the trustees, the Group considers that it has 'de facto' control of such entities. Such arrangements are accounted for as assets and liabilities of the sponsoring company and included in the consolidated financial statements as appropriate. The Company's equity instruments held by the EBT are accounted for as if they were the Company's own equity and are treated as treasury shares. No gain or loss is recognised in profit or loss or other comprehensive income on the purchase, sale or cancellation of the Company's own equity held by the EBT or the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated.

As a qualifying entity, the Company may take advantage of the following exemptions:

- (i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- (ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- (iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the year as required by paragraph 4.12(a)(iv) of FRS 102; and
- (iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

Esh Holdings Limited

Statement of accounting policies (continued)

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts, intra-group sales and rebates allowed by the Group and value added taxes.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Group recognises turnover when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the Group's sales channels have been met, as described below.

(a) *Long/short term contracts*

Turnover on long term contracts is recorded at cost appropriate to the stage of completion plus attributable profits, less amounts recognised in previous years, as set out in the accounting policy for long term

(b) *Property sales*

Turnover on property sales is recognised upon legal completion of legal title to the customer.

(c) *Supply of service*

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the reporting date turnover represents the value of the service provided to date based on a proportion of the total contract value. Turnover from services is recognised when the service has been performed.

contracts. Turnover on short term contracts is recognised when the contract is completed.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Employee benefits

The Group provides a range of benefits to employees, including holiday arrangements and defined contribution pension plans.

(i) *Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the year in which the service is received.

(ii) *Defined contribution pension plans*

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The assets of the funds are held separately from those of the Company in independently administered funds. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

The Group also contributes to a self-administered pension scheme on behalf of certain directors. This is a money purchase scheme and contributions are charged to the statement of comprehensive income in accordance with the rules of the scheme.

Esh Holdings Limited

Statement of accounting policies (continued)

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

(i) *Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

(ii) *Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life which is 10 years, the period over which the directors consider the Group will derive continuing economic benefit. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

Esh Holdings Limited

Statement of accounting policies (continued)

Negative goodwill arises where combination fair value of the group's interest in the assets, liabilities and contingent liabilities acquired exceeds the cost of the business. The Group, after consideration of the assets, liabilities and contingent liabilities acquired and the cost of the combination, recognises negative goodwill on the balance sheet and releases this to profit and loss, up to the fair value of non-monetary assets acquired, over the years in which the non-monetary assets are recovered, approximately five years and any excess over the fair value of non-monetary assets in the statement of comprehensive income over the year expected to benefit.

Investments

In the Company's financial statements, investments in subsidiary undertakings, associates and joint ventures is held at cost less accumulated impairment losses.

Tangible assets and depreciation

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold land and buildings - 50 years

Leasehold properties - 40 years

Plant and machinery - 5 years

No depreciation is provided on freehold land.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting year. The effect of any change is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Profit on sale of fixed assets'.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value.

Investment properties are revalued every 3 years by independent professionally qualified valuers and in the intervening years by the directors with the assistance of independent professional advice as required. Details related to fair value determination of investment properties is mentioned in note 11.

No depreciation is provided in respect of investment properties. The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in Section 16 of FRS 102. The directors consider that, as these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view and that it is necessary to adopt Section 16 of FRS 102 in order to give a true and fair view.

Esh Holdings Limited

Statement of accounting policies (continued)

Investment properties (continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the property is derecognised.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the consolidated statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the consolidated statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years.

Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash generating units for impairment testing.

Leases

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) *Finance lease*

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Group's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

Esh Holdings Limited

Statement of accounting policies (continued)

Leases (continued)

(i) *Finance lease (continued)*

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

(ii) *Operating lease*

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

(iii) *Lease incentives*

Incentives received to enter into an operating lease are credited to the statement of income and retained earnings, to reduce the lease expense, on a straight-line basis over the period of the lease.

The Group and Company have taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2014) and continues to credit such lease incentives to the statement of comprehensive income over the period to the first review date on which the rent is adjusted to market rates.

Stocks

Housebuilding stocks and work in progress

Stocks and work in progress are stated at the lower of cost and estimated selling price less cost to complete and sell. Work in progress comprises direct materials, labour costs, site overheads, associated professional charges and other attributable overheads.

Investments in land without the benefit of a planning consent are initially included at cost. Regular reviews are carried out to identify any impairment in the value of the land with consideration to the existing use value of the land, likelihood of achieving a planning consent, and the value thereof. Provision is made to reflect any irrecoverable amounts.

Other stocks

Stocks are stated at the lower of cost and estimated selling price less cost to complete and sell. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the consolidated statement of comprehensive income. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the consolidated statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Esh Holdings Limited

Statement of accounting policies (continued)

Provisions and contingencies

(i) *Provisions*

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(ii) *Contingencies*

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Long term contracts

The amount of profit attributable to the stage of completion of a long-term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Turnover includes the initial amount agreed in the contract plus any variations in contracted work, to the extent that it is probable that they will result in revenue and can be measured reliably. The stage of completion of a contract is assessed by reference to completion of a physical proportion of the contract work. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the statement of comprehensive income, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Esh Holdings Limited

Statement of accounting policies (continued)

Financial instruments

Classification of financial instruments issued by the company

Financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

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

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Esh Holdings Limited

Statement of accounting policies (continued)

Related party transactions

The Group has taken advantage of the exemption, as provided by paragraph 33.1A of FRS 102 and does not disclose transactions with members of the same group that are wholly owned. The Group discloses transactions with related parties which are not wholly owned with the same Group.

Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(i) *Turnover recognition*

The Group's turnover recognition policies, which are set out above, are central to the way the Group values the work it has carried out in each financial year and have been consistently applied. These policies require forecasts to be made of the outcomes of long-term construction and service contracts, which require assessments and judgements to be made on changes in work scopes, contract programmes and maintenance liabilities.

(ii) *Long term contracts*

The amount of profit attributable to the stage of completion of a long-term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Turnover includes the initial amount agreed in the contract plus any variations in contracted work, to the extent that it is probable that they will result in revenue and can be measured reliably. The stage of completion of a contract is assessed by reference to completion of a physical proportion of the contract work. Provision is made for any losses as soon as they are foreseen.

(iii) *Valuation investments in land*

Investments in land without the benefit of a planning consent are initially included at cost. Regular reviews are carried out to identify any impairment in the value of the land with consideration to the existing use value of the land, likelihood of achieving a planning consent, and the value thereof. Provision is made to reflect any irrecoverable amounts.

(iv) *Valuation investments in subsidiaries, associates and joint ventures*

Investments in subsidiaries, associates and joint ventures are initially included at cost. Regular reviews are carried out to identify any impairment with consideration to the existing value of the investment, likelihood of achieving future forecasted returns, and the value thereof. Provision is made to reflect any irrecoverable amounts.

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025

1 Group Turnover

All turnover arises in the United Kingdom from the following activities:

	2025	2024
	£'000	£'000
Infrastructure	180,460	146,547
Housing	130,173	118,663
Group turnover	310,633	265,210

2 Operating profit

	2025	2024
	£'000	£'000
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible fixed assets:		
Owned	539	606
Leased	491	110
Hire of assets	14,883	13,721

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025

2 Operating profit

	2025	2024
	£'000	£'000
Audit of the consolidated financial statements	7	7
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries	135	111
Taxation compliance services	30	-

Fees shown above were paid to Armstrong Watson Audit Limited for the financial year 2025.

3 Directors' emoluments

Group

	2025	2024
	£'000	£'000
Directors' emoluments	3,026	2,366
Company contributions to money purchase pension schemes	118	165

The aggregate of emoluments of the highest paid director were £898,304 (2024: £645,039) and company pension contributions of £10,852 (2024: £21,375) were made to a money purchase scheme on his behalf. Several directors were remunerated through the group companies. No share options were exercised in the year, and no shares were received or receivable in respect of qualifying services.

Included in the directors' emoluments figures are redundancy payments of £nil (2024: £nil)

	Number of directors	
	2025	2024
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	8	7

All of the Company's directors benefitted from qualifying third-party indemnity provisions.

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

4 Staff numbers and costs

Group

The average monthly number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2025	2024
Production staff	259	254
Administrative staff	552	511
	811	765

The aggregate payroll costs of these persons were as follows:

	2025	2024
	£'000	£'000
Wages and salaries	43,983	38,914
Social security costs	5,093	4,013
Other pension costs (note 22)	1,774	1,721
	50,850	44,648

Included in staff costs for the group are redundancy payments of £146,389 (2024: £12,230)

Company

The average monthly number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2025	2024
Administrative staff (monthly paid)	75	70
	75	70

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

4 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2025	2024
	£'000	£'000
Wages and salaries	5,652	4,422
Social security costs	725	499
Other pension costs (note 23)	228	220
	6,605	5,141

Included in staff costs for the company are redundancy payments of £4,188 (2024: £nil)

5 Interest receivable and similar income

	2025	2024
	£'000	£'000
Bank interest	888	458
Interest received on loans to joint ventures	84	149
	972	607

6 Interest payable and similar expenses

	2025	2024
	£'000	£'000
On bank loans and overdrafts	100	112
On asset finance	216	63
Interest paid to joint ventures	884	816
	1,200	991

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

7 Tax on profit attributable to owners of the parent

a) Tax charge included in profit

	2025	2024
	£'000	£'000
UK corporation tax:		
Current tax on income for the year	1,268	-
Adjustments in respect of prior years	8	41
	1,276	41
Shares of joint ventures' current tax	-	420
Total current tax	1,276	461
Deferred tax (see note 17)		
Origination/reversal of timing differences	2,273	396
Adjustment in respect of prior years	(8)	42
Total deferred tax	2,265	438
Tax on profit	3,541	899

b) Reconciliation of tax charge

Factors affecting the tax charge for the current year

The current tax charge for the year is lower than the standard rate of corporation tax in the UK of 25%. The differences are explained below:

	2025	2024
	£'000	£'000
Total tax reconciliation		
Profit before taxation	15,066	5,035
Current tax at 25% (2024: 25%)	3,767	1,259
<i>Effects of:</i>		
Income not taxable	(8)	(1)
Tax rate changes	-	2
Items not taxable or deductible	-	(25)
Expenses not deductible for tax purposes	425	40
Group relief	(615)	-
Unrecognised deferred tax movement	(28)	(457)
Adjustments in respect of prior years	-	81
Total tax charge for the year (see above)	3,541	899

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

8 Dividends

The aggregate amount of dividends paid in year comprises:

	2025	2024
	£'000	£'000
Non-voting ordinary shares £1 each		
Dividends paid in respect of the year	-	-
Voting ordinary shares of £1 each		
Dividends paid in respect of the year	8,000	-
	8,000	-

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

9 Intangible assets

Group	Goodwill £'000	Negative Goodwill £'000	Total £'000
Cost			
At 1 January 2025	1,128	(2,277)	(1,149)
Acquisition	-	-	-
Disposal	(163)	-	(163)
At 31 December 2025	965	(2,277)	(1,312)
Accumulated amortisation			
At 1 January 2025	1,128	(2,277)	(1,149)
Disposal	(163)	-	(163)
Charged in year	-	-	-
At 31 December 2025	965	(2,277)	(1,312)
Net book value			
At 31 December 2025	-	-	-
At 31 December 2024	-	-	-

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. The following sets out the periods over which goodwill is amortised and the reasons for the periods chosen:

Positive goodwill arising on a number of acquisitions is being amortised over a period of 10 years, the period over which the directors consider that the group will derive continuing economic benefit.

The disposal of goodwill in the year is due to the closure of Remedios Ltd.

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

10 Tangible assets

Group

	Freehold land and Buildings £'000	Leasehold properties £'000	Plant & Machinery £'000	Total £'000
Cost				
At 1 January 2025	5,045	56	7,197	12,298
Acquisition	4	-	3,604	3,608
Disposal	-	-	(2,049)	(2,049)
At 31 December 2025	5,049	56	8,752	13,857
Accumulated depreciation				
At 1 January 2025	541	45	3,521	4,107
Charge for year	54	4	972	1,030
On disposals			(1,887)	(1,887)
At 31 December 2025	595	49	2,606	3,250
Net book value				
At 31 December 2025	4,454	7	6,146	10,607
At 31 December 2024	4,504	11	3,676	8,191

Included in the total net book value of plant and machinery is £4.6m (2024: £1.8m) in respect of assets held under finance leases and similar hire purchase contracts.

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

10 Tangible assets (continued)

Company

	Freehold land and buildings £'000	Plant & machinery £'000	Total £'000
Cost			
At 1 January 2025	5,033	716	5,749
Acquisition	4	82	86
Disposal	-	(590)	(590)
At 31 December 2025	5,037	208	5,245
Accumulated depreciation			
At 1 January 2025	528	661	1,189
Disposal	-	(590)	(590)
Charged in year	54	50	104
At 31 December 2025	582	121	703
Net book value			
At 31 December 2025	4,455	87	4,542
At 31 December 2024	4,505	55	4,560

Included in the total net book value of plant and machinery is £nil (2024: £nil) in respect of assets held under finance leases and similar hire purchase contracts.

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

11 Investment properties

	Group £'000	Company £'000
Valuation and net book value		
At 1 January 2025	387	387
At 31 December 2025	387	387

The fair values of the Group's investment property at December 31, 2025 and 2024 have been based on the market comparable approach that reflects recent transaction prices for similar properties, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties / other methods. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

Investment properties are revalued every 3 years by independent professionally qualified valuers and in the intervening years by the directors with the assistance of independent professional advice as required.

The directors have reviewed the open market value of investment properties at the year end and consider the carrying values to be equivalent to open market values.

The historical cost of the Group's investment properties is £387,000 (2024: £387,000).

The historical cost of the Company's investment properties is £387,000 (2024: £387,000).

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

12 Investments

Group

	Shares in joint ventures £'000	Loans to joint ventures £'000	Shares in participating interests £'000	Loans to participating interests £'000	Total £'000
Cost					
At 1 January 2025	-	2,249	120	8,898	11,267
Additions	-	-	-	-	-
Disposal	-	-	-	(300)	(300)
At 31 December 2025	-	2,249	120	8,598	10,967
Provisions					
At 1 January 2025	-	-	-	(152)	(152)
Additions	-	-	-	(1,300)	(1,300)
Disposal	-	-	-	-	-
At 31 December 2025	-	-	-	(1,452)	(1,452)
Share of post-acquisition reserves					
At 1 January 2025	3,840	-	-	-	3,840
Retained profits less losses	(535)	-	-	-	(535)
At 31 December 2025	3,305	-	-	-	3,305
Net book value					
At 31 December 2025	3,305	2,249	120	7,146	12,820
At 31 December 2024	3,840	2,249	120	8,746	14,955

Disposal of loans to participating interests relates to Prestige Exclusive Homes Ltd, which became a wholly owned subsidiary during the year.

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

12 Investments (continued)

Company

	Shares in group undertakings £'000	Loans to subsidiaries £'000	Shares in joint ventures £'000	Total £'000
Cost				
At 1 January 2025	24,542	556	398	25,496
Additions	-	-	-	-
Disposal	(325)	-	-	(325)
At 31 December 2025	24,217	556	398	25,171
Provisions				
At 1 January 2025	(20,742)	(556)	(398)	(21,696)
Additions	-	-	-	-
Disposal	260	-	-	260
At 31 December 2025	(20,482)	(556)	(398)	(21,436)
Net book value				
At 31 December 2025	3,735	-	-	3,735
At 31 December 2024	3,800	-	-	3,800

The disposal in the year relates to Remedios Ltd, previously a wholly owned subsidiary. A gain on disposal of £20,862 is recognised in the year.

At the end of 2025 the directors conducted a review of the carrying values of the company's investments in subsidiary undertakings. Based on this the carrying value of the investments are considered to be recoverable.

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

12 Investments (continued)

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

Subsidiary Undertakings	Proportion of voting rights and shares held	Nature of business
ABC Rental Properties Limited ¹	100%	Property letting
Boathouse Lane Projects Limited ¹	100%	Land and property development
Border Construction (Holdings) Limited ^{1,2}	100%	Civil engineering and building contractor
Border Construction Limited ¹	100%	Civil engineering and building contractor
David Wilkinson Building Contractors Limited ¹	100%	Dormant
Dunelm (Bowburn) Limited ¹	100%	Land and property development
Dunelm Homes (Seaham) Limited ¹	100%	Housebuilder
Dunelm Homes Limited	100%	Housebuilder
Dunelm National Projects Limited ¹	100%	Property development
Esh Acorn Homes Limited ¹	100%	Housebuilder
Esh Construction Limited	100%	Civil engineering and building contractor
Esh Developments Limited	100%	Land and property development
Esh EBT Trustee Limited	100%	Non- trading
Esh Homes Limited	100%	Housebuilder
J Tonks (Transport) Limited	100%	Waste disposal and recycling
Lumsden & Carroll Limited ¹	100%	Commercial builder
Stephen Easten Building Limited ¹	100%	Commercial builder
Tonks Recycling Limited	100%	Waste disposal and recycling
Tursdale Business Park Limited ¹	41%+12.5%	Property letting
Tursdale Recycling Limited	100%	Waste disposal and recycling
Wilkinson Facilities Services Limited ¹	100%	Property and Facilities Management

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

12 Investments (continued)

Joint ventures	Proportion of voting rights and shares held	Nature of business
Boathouse Lane (Freehold) Limited ¹	50%	Non-trading
Eastbourne JV Limited	50%	Housebuilder
Esh Energy Limited ¹	49%	Dissolved 19th November 2019
Esh Stantec Limited	50%	Civil engineering
Esh Salutation Road Limited	50%	Housebuilder
Heighington JV Limited	50%	Housebuilder
West Park JV Limited	50%	Housebuilder
Middleton St George JV Limited	50%	Housebuilder
Prestige Exclusive Homes Limited ¹	50%	Property development
Neasham Road JV Limited	50%	Housebuilder
Participating Interests		
Philadelphia Estates Limited ¹	30%	Property letting
Philadelphia Properties Limited ¹	30%	Property letting
Speed 8767 Limited ¹	30%	Property letting
Esh Space The Park Limited ¹	15%	Property development
M62 Developments Limited ¹	43%	Dormant
[*] voting ⁺ equity ¹ investment held indirectly	² scottish registered company	

Investments are held directly by Esh Holdings Limited (except where noted). All holdings represent ordinary share capital, and with the exception of those noted above all companies are incorporated in the United Kingdom.

The registered office of Esh Holdings Limited is Esh House, Bowburn North Industrial Estate, Durham DH6 5PF. All subsidiaries, Joint ventures and Participating Interests are also registered at Esh House, with the exception of companies registered in Scotland as marked above which are registered at Botany Mill, Roxburgh St, Galashiels, Scotland, TD1 1PB.

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

13 Stocks

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Land stock and work in progress	139	151	-	-
Raw materials and consumables	595	548	-	-
	734	699	-	-

The amount of stock recognised as an expense during the year was £2,252,389 (2024: £2,716,986)

There is no significant difference between the replacement cost of the stock and its carrying amount.

14 Debtors amounts falling due within one year

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Trade Debtors	10,226	6,823	9	1
Amounts recoverable on contracts	21,033	19,897	-	-
Amounts owed by group undertakings	17,924	18,193	25,065	26,444
Deferred tax (note 17)	-	1,239	57	447
Amounts owed by undertakings in which the entity has a participating interest	1,436	1,697	4	4
Corporation tax recoverable	-	9	-	-
Other debtors	709	954	466	187
Prepayments and accrued income	1,676	1,589	517	636
	53,004	50,401	26,118	27,719

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

15 Creditors: amounts falling due within one year

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Payments received on account	23,474	13,920	-	-
Trade creditors	9,583	11,103	403	271
Amounts owed to group undertakings	-	-	21,633	21,219
Amounts owed by undertakings in which the entity has a participating interest	210	-	-	-
VAT payable	1,799	1,148	221	255
Other taxation and social security	1,526	1,402	127	108
Other creditors	980	2,695	3	79
Corporation tax	729	-	69	-
Hire purchase agreements	967	389	-	-
Accruals and deferred income	42,789	38,227	2,025	1,531
	82,057	68,884	24,481	23,463

Amounts owed to group undertakings do not bear interest and are not secured.

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Hire purchase agreements	3,343	1,499	-	-
Deferred tax (note 17)	986	-	-	-
	4,329	1,499	-	-

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

17 Provisions for deferred tax

	Group	Company
	£'000	£'000
Provision for deferred tax:		
At 1 January 2025 (note 14)	1,239	447
Charge to the profit and loss current year (note 7)	(2,206)	(387)
Charge to the profit and loss prior year (note 7)	(19)	(3)
	(986)	57

The elements of deferred taxation are as follows:

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Differences between accumulated depreciation and capital allowances	(2,094)	(1,385)	(651)	(647)
Short term differences	4	36	1	11
R&D expenditure credit	-	-	-	-
On losses carried forward	1,104	2,588	707	1,083
	(986)	1,239	57	447

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

18 Called up share capital

Group and company

	Number of shares	2025 £'000	Number of shares	2024 £'000
Allotted, called up, issued and fully paid				
Voting ordinary shares of 0.1p each	1	-	-	-
Non-voting ordinary shares of 0.1p each	-	-	9,834,967	10
Variable dividend ordinary shares of £1 each	-	-	14,286,791	14,287
Voting preference shares of £1 each	-	-	7,959,638	7,959
	1	-	32,081,396	22,256

During the year the company carried out a capital restructure, reducing its share capital to a single share (voting ordinary share class). £22,256,000 was released into retained earnings as per the statement of changes in equity schedule.

Voting ordinary shares

Shareholders are entitled to such dividend as may be declared by the Board subject to preferential rights of the voting and non-voting preference shares. Entitled to vote. On a return of assets, liquidation or winding up entitled to amounts paid up plus balance of any surplus after settlement of rights of other classes of share.

Non-voting ordinary shares

Shareholders are entitled to such dividend as may be declared by the Board subject to preferential rights of the voting and non-voting preference shares. Not entitled to vote. On a return of assets, liquidation or winding up entitled to amounts paid up plus balance of any surplus after settlement of rights of other classes of share.

Variable dividend ordinary shares

Shareholders are entitled to such dividend as declared by Board subject to preferential rights of the voting and non-voting preference shares. Not entitled to vote. On return of assets, liquidations or winding up entitled to payment of £1.50 per share, in priority to non-voting ordinary shares only

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

18 Called up share capital (continued)

Voting preference shares

Shareholders are entitled to dividends as may be declared by the Board in preference to any other class of share. Entitled to one vote per share. On liquidation, return of assets or winding up they are entitled to payment of £1 per share in preference to all classes of share. Redeemable at Company's option only. Whilst these shares are 'Preference' in title, this title refers only to their primary rank in terms of any dividend that may be voted, or in other distribution as described above. They are therefore deemed to be equity in nature.

The Group and Company's other reserves are as follows:

The share premium account contains the premium arising on issue of equity shares.

The retained earnings represent cumulative profits or losses, including unrealised profit on the re-measurement of investment properties, net of dividends paid and other adjustments.

Employment benefit trust (EBT) reserve consists of shares repurchased by the Group's Employee Benefit Trust. None of the shares held by the EBT are under option to employees and none of them have been conditionally gifted to any employees.

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

19 Reconciliation of operating profit to operating cash flows

	2025	2024
	£'000	£'000
Profit for the financial year attributable to owners of the parent	11,525	4,136
Tax on profit attributable to owners of the parent	3,541	899
Net interest expense	228	384
Loss from sale of investments	1,600	(120)
Profit from joint ventures	(3,320)	(2,071)
Loss on sale of fixed assets	(165)	(57)
Operating profit	13,409	3,171
Amortisation of intangible assets	-	-
Depreciation of tangible assets	1,030	716
Working capital movements		
- (Increase) / Decrease in inventories	(35)	26
- (Increase) / Decrease in debtors	(4,059)	4,144
- Increase in payables	12,081	7,352
Cash generated from operating activities	22,426	15,409

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

20 Contingent Liabilities

Banking arrangements

The company is party to a group funding arrangement with certain of the companies in the Esh group, which was set up in 2023 and is due to expire in July 2026. Funding of up to £6m is available to be drawn down against the debtors of Esh Construction Limited. Security is provided to the funder, Bibby Financial Services Limited, by means of charges on the Land and Buildings held within Esh Holdings Limited and Plant and Machinery held in Esh Construction Limited, together with a first ranking debenture across the assets and liabilities of certain group companies (including the Company). The amount drawn on the facility at 31 December 2025 amounted to £nil (2024: £nil).

At the date of this report, the Group is in final stages of agreeing a new facility with Lloyds Bank, the current main banking facility provider. The new facility will be a £10m revolving credit facility, with an available term of 5 years. It is expected that this facility will be completed in July 2026.

There are no other known contingent liabilities.

21 Commitments

Capital commitments at the end of the financial year for which no provision has been made are as follows:

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Contracted	-	-	-	-

At 31 December 2025 the Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2025	2024
	£'000	£'000
Group		
Operating leases which expire:		
Within one year	1,340	578
Later than one year	2,361	886
More than five years	-	-
	3,701	1,464

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

22 Pension scheme

Group

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £1,774,386 (2024: £1,721,434).

Contributions amounting to £18,733 (2024: £309,691) were payable to the scheme and are included in creditors.

Company

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £227,288 (2024: £220,075).

Contributions amounting to £2,563 (2024: £80,936) were payable to the scheme and are included in creditors.

23 Ultimate parent company and parent undertaking of largest group of which the company is a member

The company is a subsidiary undertaking of Esh Investments Limited, the ultimate and immediate parent company incorporated in the United Kingdom.

The largest group in which the results of the Company are consolidated is that headed by Esh Investments Limited, incorporated in the United Kingdom and registered at Esh House, Bowburn North Industrial Estate, Durham DH6 5PF. The consolidated financial statements of this group are available to the public and may be obtained from Companies house.

The directors do not consider there to be an individual ultimate controlling party.

Esh Holdings Limited

Notes to the financial statements for the year ended 31 December 2025 (continued)

24 Related party transactions

Transactions with related companies during the year ended 31 December 2025 and 31 December 2024 were:

	Sales		Purchases		Debtors		Creditors	
	2025	2024	2025	2024	2025	2024	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Prestige Exclusive Homes Limited								
Loan	-	-	-	-	-	305	-	-
ESH DBC Limited								
Trade	8,747	4,300	2	-	555	306	-	-
West Park JV Limited								
Trade	1,732	4,808	-	-	29	253	-	-
Blackwell Grange JV Ltd								
Trade	5,940	5,066	-	-	300	271	-	-
Hurworth Gardens JV Ltd								
Trade	4,937	5,258	-	-	270	286	-	-
Neasham Road JV Limited								
Trade	4,298	4,574	-	-	155	272	-	-
	25,654	24,006	2	-	1,309	1,693	-	-

Other than the transactions disclosed above, the Company's other related party transactions were with wholly owned subsidiaries and so have not been disclosed.

The group do not have any compensation to key management personnel (other than directors) as disclosed in note 3.