

VOLT TOPCO (CP) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
30 SEPTEMBER 2024
(Registered Number: 14764589)

TUESDAY



A10 *ADU08APU* #25
21/01/2025
COMPANIES HOUSE

VOLT TOPCO (CP) LIMITED

Contents

Company information	2
Chair and Group CEO's Statement	3
Strategic Report	4
Directors' Report	13
Statement of directors' responsibilities	16
Independent auditor's report to the members of Volt Topco (CP) Limited	17
Consolidated financial statements:	
Consolidated statement of comprehensive income	19
Consolidated balance sheet	20
Consolidated statement of changes in equity	21
Consolidated cash flow statement	22
Notes to the consolidated financial statements	23
Company financial statements:	
Company balance sheet	55
Company statement of changes in equity	56
Notes to the Company financial statements	57

VOLT TOPCO (CP) LIMITED

Company information

Directors	Christophe Auber Mandar Kulkarni Spencer Sheridan
Registered office (from 29 May 2024)	13 Southampton Place London WC1A 2AJ
Previous registered office (until 28 May 2024)	3 rd Floor 12 Charles II Street St James's London SW1Y 4QU
Auditor	RSM UK Audit LLP Chartered Accountants 4 th Floor 100 Avebury Boulevard Buckinghamshire Milton Keynes MK9 1FH

VOLT TOPCO (CP) LIMITED

Chair and Group CEO's Statement

Proforma revenue

£503.4m

+12% (2023: £449.1m)

Proforma gross profit

£101.4m

+24% (2023: £81.6m)

Organic growth:

Proforma revenue

+14% organic growth

Proforma adjusted EBITDA

+22% organic growth

Proforma adjusted EBITDA

£51.0m

+43% (2023: £35.6m)

Number of people

3,729

+40% (2023: 2,673)

Number of apprentices

165

Carbon intensity metric

29.4tCO₂e

6% lower (2023: 31.3tCO₂e)

I am delighted to present my Chair and Group CEO's Statement in our first full year of trading. A year that has continued to build on the previous successes of the Group. Our focus continues to foster the culture of being customer centric, focused on the environment, driving a safe work culture and to deliver sustainable growth.

Our mission is clear - to be the trusted partner of choice to the social housing and related public sector in delivering essential and affordable heating, energy savings and compliance solutions as we continue to play a key and progressive role in decarbonisation, always delivering for customers, employees, residents and the environment with safety, integrity and respect at the forefront of everything we do.

Our Group is built on a trusted foundation of compliance and energy services allied to our unwavering commitment to improving the efficiency of social housing and public buildings, providing benefits to the residents and the communities in which they live. This has allowed us to grow into a leader in compliance and energy services. We are dedicated to eradicating fuel poverty by providing innovative, sustainable energy solutions and advocating for policies that ensure affordable access to essential heating and power for everyone.

To help our clients see all our potential as a trusted partner on their road to decarbonisation, we have changed the way in which we face the market, operating as Sureserve with two divisions - Sureserve Compliance and Sureserve Energy Services. This change will bring opportunities for all of our companies to offer more services to our customers and residents and to pave the way for the future needs of housing associations, local authorities, utilities and the wider public sector. Working together as One Sureserve, we will leverage our vast expertise to achieve our shared ambition and goals.

Across the business, we continue to focus on our colleagues, as none of the above would be possible without the dedication and hard work of our people. A highlight of my year has been getting out into the business and meeting so many of our colleagues and seeing the passion and enthusiasm they have for Sureserve. The delivery of our People Strategy during the current year is of vital importance as we strengthen the employee value proposition. Our Group-wide engagement survey was another source of pride, with a high 70% engagement score. It re-enforced our key areas of people focus: alignment with the Group's purpose, an inclusive culture, opportunities for development and career progression, and a focus on health, well-being and happiness at work. I'd like to personally thank our colleagues for their hard work and commitment during the past year.

I am also pleased that we refreshed our values this year. Our values (set out below) are fundamental to how we operate:



Safety



Excellence



Respect



Integrity



Expertise



Sustainability

The Group's commitment to investing in its people, the environment and technology has been demonstrated by the appointment of a number of key people during the year. Our Commercial Director and Head of Corporate Development joined mid-year, followed by our Head of Net Zero Carbon, our Head of ESG, our Chief Information Officer and our Group HR Director who all joined the team later in the year. The Executive Board and I feel we have the right balance of skills, experience and backgrounds to support and challenge our management teams within the operating businesses. The appointments in May 2024 of Spencer Sheridan as Group CFO and Paul Edwards as Group COO have further strengthened the Executive Board. These appointments bring a wealth of experience and sector knowledge and I look forward to working with them as we take the Group forward.

The Group completed two strategic acquisitions during the year with a third completing just after the year end. In December 2023, we were delighted to welcome Swale Heating, a business delivering gas and renewable heating solutions, and then, in April 2024, Duality, which delivers renewable energy and heating solutions to the social housing sector and residential clients across Scotland and England, joined the Sureserve Group. Additionally, in October 2024, the Group acquired Low Carbon Exchange, a prominent renewable energy installation and maintenance business. These acquisitions are all great steps forward to help the Group deliver its core Compliance and Energy Services across the UK to the social housing and public sector and continues to demonstrate our commitment to play a key role in the decarbonisation of the UK.

Overall, the Group is well-set to build on what has been a strong year to 30 September 2024. The Group has the resources, the people and the culture to drive value but it's our relentless focus on meeting our customers' needs which will help us achieve our goals for the long-term success of the Group.

Graham Levinsohn
Chair and Group Chief Executive Officer
20 December 2024

VOLT TOPCO (CP) LIMITED

Strategic Report

The directors present their Strategic Report and consolidated financial statements of Volt Topco (CP) Limited ("the Company") and its group undertakings (together referred to as "the Group") for the year ended 30 September 2024. The Company was incorporated on 28 March 2023. The prior period results of the Group include the results of the Group from the date of incorporation and include the trading results of business acquired from 11 July 2023 and are therefore not comparable (on a reported basis) year on year.

Introduction and history

The Strategic Report has been prepared for the Group and therefore gives a greater emphasis to those matters which are significant to the Group when viewed as a whole.

On 11 July 2023, the Group acquired 100% of the issued share capital of Sureserve Group plc ("Sureserve") for a total cash consideration of £213.8m. Upon the acquisition, Sureserve became a privately-held group of companies and the shares of Sureserve were no longer listed on any public market. The Company is owned by Cap10 Partners Fund I SCSp and Volt Coinvest SCSp (together the "Funds") who have jointly made an investment into the Company. Cap10 Partners LLP acts as the Investment Advisor and Portfolio Manager to the General Partner of the Funds, Cap10 Partners GP S.à r.l., ("Cap10") which has 100% of the voting rights and makes all decisions on behalf of the Funds. Fabrice Nottin is the founding partner of Cap10 Partners LLP and who is described in more detail on page 5.

Background on Cap10

Cap10 is a pan-European private equity firm founded in 2020 by experienced financial entrepreneurs who bring large-cap sophistication, creativity, innovation and a clear focus on transformational, sustainable growth. The firm is driven by its commitment to positively contributing to the ecosystem at large, based on authenticity, fairness, and integrity. The firm values ethical and commercial considerations equally to ensure it is always aiming at doing the right thing by all stakeholders concerned. This approach is underpinned by Cap10's guiding principles of 'People first', leading by example, being accountable and uniting the team behind a common vision. The firm has developed a Responsible Investing policy that has the 17 United Nations Sustainable Development Goals ("SDGs") and 169 associated targets at its heart. The SDGs are a call to action to ensure that all people can enjoy peace and prosperity on a protected planet.

Principal activities

The principal activities of the Group are that of a leading provider of compliance and energy services solutions to the social housing and related public sector. The Group's Compliance Services business covers electrical services, heating (including renewable heating), water and air quality management and fire safety. The Group's Energy Services business covers retrofit, renewable energy solutions (such as solar), and smart meter installation.

The Group plays a vital leadership role in the decarbonisation of the UK social housing and related public sector and contributes in a significant way in alleviating fuel poverty. The principal activity of the Company is the holding of investments.

Group strategy

The Group's strategy is to be the trusted partner of choice to the social housing and related public sector in delivering essential and affordable heating, energy savings, and compliance solutions, playing a key and progressive role in decarbonisation, always delivering for customers, employees, residents and the environment with safety, integrity and respect at the forefront of everything we do.

Refer to our section 172 statement on pages 10 to 12 for further details about how the Group uses its relationships with stakeholders to achieve its strategic goals.

Business model

Our long-term approach is reflected in the strength and depth of our relationships, based on the quality of our work with our clients, their customers, our communities, our financial partners, our employees, our shareholders and our suppliers. With highly experienced management and an exceptionally skilled workforce, we look to build our business in regulated markets where revenues are predictable.

Predictable and recurring revenue streams: Compliance Services generate steady revenue streams; as such, services are frequently mandatory for many of our clients and driven by regulation. Local authorities and social housing landlords have an obligation to maintain housing stock and public buildings to applicable safety standards and this, in turn, has led to the growth and development of the gas, air, fire and water safety industries from which our businesses continue to benefit.

Our business model is one of growth within Compliance and Energy Services, with continual service and delivery improvement as the central focus supported by significant investment in business intelligence and proactive repairs models. The Group seeks to gain a competitive advantage through forward-thinking technology and a high-quality service delivery model.

Helping governments realise their commitments: We support the Government in the delivery of national fuel poverty and energy efficiency schemes. We help to enhance the quality of life of those in need and improve the energy efficiency of properties, making a difference to them financially and to a wider overall consumption as we work towards the Government's net zero carbon targets.

The Group's mission is to be the trusted advisor to the social housing sector and to play a key and progressive role in decarbonisation. Accordingly, we have increased our business generation efforts on housing retrofit and renewables through the strategic hires and investment in ESG, net carbon zero and acquisitions, positioning Sureserve as a trusted delivery partner for retrofit and renewable energy solutions. This work involves a multi-faceted strategy to raise awareness with existing and new clients, influence policy direction, and develop strategic partnerships to grow the Energy Services division.

VOLT TOPCO (CP) LIMITED

Strategic Report (continued)

Details on Executive Board composition

The Executive Board comprises a diverse group of individuals with a wide range of expertise and experience. Our board is committed to maintaining high standards of corporate governance and ensuring that the Group operates with integrity and accountability. The diverse backgrounds and perspectives of our directors enhance our ability to navigate complex challenges and seize opportunities for growth. The current board members are:

Graham Levinsohn Chair and Group Chief Executive Officer	Spencer Sheridan Group Chief Financial Officer	Paul Edwards Group Chief Operating Officer	Bob Wigley Non-Executive Director	Fabrice Nottin Cap10 Representative
Appointed: July 2023	Appointed: May 2024	Appointed: May 2024	Appointed: August 2023	Appointed: July 2023
Biography: With over 20 years of leadership experience in business services, Graham provides strategic direction and governance oversight in addition to driving growth and innovation.	Biography: With over 30 years' of finance experience at senior levels which has been gained across multiple sectors, including pharma services, construction, strategic outsourcing, retail and technology solutions, Spencer provides financial expertise and oversees the Group's financial strategy.	Biography: Paul has over 30 years' experience in business, operational and HR leadership gained in security and logistics industry sectors. His key focus in the business is building and advancing operational excellence and implementing the Group's strategic operational plan.	Biography: Bob spent his banking career with Morgan Grenfell and Merrill Lynch and was EMEA Chairman of Merrill Lynch between 2003 and 2009. Since leaving banking, he has chaired and invested in a number of fintech companies.	Biography: Fabrice has over 20 years' experience in the private equity industry. He was previously a Partner at Apollo in the European private equity team. Fabrice joined Apollo in 2011 and left in 2020 to set-up Cap10.

Our Group People Strategy

We employ approximately 3,700 people across the UK. The people across our businesses are united by our purpose, culture and passion for delivering for our customers. We empower them to innovate and support them to grow and develop.

During the year, the Group enhanced its people offering by leveraging the Group's financial stability, growth ambitions, sector leadership and scale, all unified by common values to strengthen the employee value proposition. Employee engagement is driven by how people perceive their experience at Sureserve throughout their employment lifecycle. Feedback from the Group-wide engagement survey highlighted key employee priorities: alignment with the Group's purpose, an inclusive culture, opportunities for development and career progression, and a focus on health, well-being, and happiness at work. Employees also expect recognition and rewards for their hard work. These insights have been integrated into the new Group People Strategy, which aims to make the Group a *Great Place to Work* and deliver a highly-engaged workforce through strategic pillars focused on simplification, standardisation of systems and processes and the development of environmental, social and governance credentials:

- creating an inclusive culture and leadership
- equality, diversity and inclusion
- employee engagement
- talent development
- reward and recognition

Creating an inclusive culture and leadership

The Group's leaders understand that attracting and retaining a diverse, engaged workforce requires fostering an inclusive culture. In 2024, we launched common values based on employee experiences and perspectives, aligning the Group's strategy and culture. These values now underpin our core People practices across the entire employee life cycle.

Equality, diversity and inclusion ("ED&I")

ED&I is central to the Group's engagement strategy, aiming to reflect the diversity of the communities we serve. The Group joined Inclusive Employers to promote ED&I and has rolled out training to all employees. Diversity ratios are regularly monitored, and a strategy is in place to enhance workforce diversity and inclusivity through targeted interventions and training. An employee network called *Balance* has been introduced, to support women to maximise their potential in an equal workplace. The Group regularly monitors its current diversity ratios and "Inclusion" received one of the highest scores in the 2024 employee engagement survey. Plans are in place to enhance the overall diversity profile of our workforce and senior leadership. A diversity strategy has been developed to create a more inclusive organisation (including targeted interventions to enhance diversity of succession pipelines and hiring from diverse backgrounds) and to continue to deliver all-colleague training, developing inclusivity and improving employee engagement.

Employee engagement

Listening to and acting on colleague feedback is key to the Group's inclusivity strategy. The 2024 engagement survey had a 79% response rate and a 70% engagement score, showing significant improvement. The Board reviewed the survey themes and agreed on actions to enhance the workplace, including development, benefits, and policies. Progress will be monitored through various forums and local listening groups. HR teams analyse local data to identify issues and target interventions, ensuring employee feedback is used to improve the colleague experience. Metrics like talent attrition, new joiner turnover, and sickness absence are regularly reviewed and actioned. The actions include enhancements to our development offering, benefits and employment policies. Progress will be monitored through the Group People Voice forum and Health and Safety forums, which constitute key channels for amplifying employee voice, alongside local listening groups. Regular communications will also continue to be developed in order to reach the diverse populations within the Group.

VOLT TOPCO (CP) LIMITED

Strategic Report (continued)

Talent development

Talent management and skill development are crucial for standardising the Group's recruitment and retention practices. In 2024, the Group spent 92% of its apprenticeship levy, with 4.5% of the workforce coming through apprenticeship schemes. Recognised as a Top Apprenticeships Employer, the Group aims to grow these programmes, supporting future talent and increasing levy use. Plans include skilling, upskilling, and reskilling across various disciplines to enhance career advancement, engagement, and performance. The Group celebrated the *Sureserve Academy* event and awards in May 2024, and National Apprenticeship Week in February 2024. Achieving a highly engaged workforce relies on capable people managers who build inclusive teams and drive performance. Sureserve plans to invest in developing line managers' core skills, including quality conversations, fostering diverse teams, supporting wellbeing, and career development. These initiatives, deployed through the *Sureserve Academy*, aim to enhance colleague engagement and empowerment.

Reward and recognition

Our leaders know that engaging teams means making them feel valued and recognised. We continue to enhance benefits, including family-friendly support and life assurance. Community volunteering time is part of our benefits framework. Mental health support is provided through mental health first aiders and an Employee Assistance Programme, with plans to expand. Recognition programmes (for example the *Star of Customer Excellence* awards) are of great importance. In FY25, we plan to further develop benefits and recognition to drive career fulfilment and engagement.

Gender diversity

The Group is committed to not only eliminating discrimination through zero tolerance policies but also creating a diverse workforce. We believe that everyone should be treated with equal respect and dignity and should have access to the same opportunities to develop professionally and personally within the Group. We believe a diverse workforce creates a positive and open culture, we celebrate differences and value everyone's contributions to the everyday workings of the Group. We recognise and value each individual's own background and skillset, and we strive to grow talent and support individuals in reaching their full potential. We measure gender balance from the top down and by function. The table below sets out the Group's gender diversity:

	Male		Female		Non-binary		Total	
	Number	%	Number	%	Number	%	Number	%
Directors	3	0.1%	-	-	-	-	3	0.1%
Senior Managers	141	3.8%	55	1.5%	-	-	196	5.3%
Other	2,757	73.9%	772	20.7%	1	-	3,530	94.6%
Total	2,901	77.8%	827	22.2%	1	-	3,729	100.0%

"Directors" comprise the Executive Board members of the Group. We define "Senior Manager" as someone who is a senior leader and is responsible for setting their operational or functional strategy as well as the running of the day-to-day operations of the Group's trading entities. They have the responsibility for planning, directing and controlling the activities of the Group's trading entities and are an employee of a company within the Group. The Senior Managers category includes directors and departmental heads of our operating companies.

Human rights and modern slavery

The Group has zero tolerance for modern slavery and our respect for human rights are built into all our processes and business practices. The Group has developed a policy framework to ensure we address modern slavery and human rights. This includes:

- Code of Conduct (which applies to staff and our suppliers)
- Supply Chain Charter
- Whistle Blower Policy (which is open to staff and our suppliers)

The Group works with our supply chain partners to ensure that modern slavery is not present and human rights are respected. Our suppliers are required to provide us with the assurance that:

- modern slavery is not present in their company;
- safe, fair and ethical working conditions are provided;
- the risks within their own supply chain are understood; and
- zero tolerance, responsible management and compliance with all legal requirements is reflected in their policies, procedures, practices and in contracts with their own suppliers.

In the event of evidence of modern slavery or human rights abuses are found within any of our suppliers, the Group would notify the appropriate authorities and work with the supplier to understand the situation. A set of corrective actions would be agreed to address the issues, and the supplier would be required to implement these. If a supplier failed to deliver the improvements the Group would terminate the contract.

VOLT TOPCO (CP) LIMITED

Strategic Report (continued)

Financial review

The prior period results of the Group include the results of the Group from the date of incorporation on 28 March 2023 and include the trading results of business acquired from 11 July 2023 and are therefore not comparable (on a reported basis) year on year.

We consider revenue, gross profit, gross profit margin, adjusted operating profit, proforma adjusted EBITDA and adjusted net debt to be the key business indicators for the Group. For the purposes of this review, we set out financial metrics both on a reported basis (meaning the results of businesses acquired during the year are only included on a post-acquisition basis) and also on a proforma basis (meaning the results of acquired businesses are included for a full 12 months to aid year-on-year comparability).

Financial performance

On a reported basis, revenue for the year ended 30 September 2024 was £466.3m, an increase of £382.7m from £83.6m in 2023 reflecting that 2024 is the first full year for the Group. Reported revenue for 2024 includes the post-acquisition revenue for the acquired Swale and Duality businesses (total of £67.7m). On a proforma basis (assuming the acquisitions had occurred on 1 October 2022), 2024 revenue was 12% higher at £503.4m due to underlying organic growth of 14% and growth from the acquired businesses of 7%.

Gross profit for the year ended 30 September 2024 was £90.5m on a reported basis, up from £13.7m in the prior period reflecting that 2024 is the first full year for the Group. Reported gross profit for 2024 includes the post-acquisition gross profit for the acquired Swale and Duality businesses (total of £15.3m). On a proforma basis, 2024 gross profit was £101.4m which is year-on-year increase of £19.8m or 24%. On a proforma basis, the Group achieved a gross margin of 20.1% (2023: 18.2%).

Adjusted operating profit for the year ended 30 September 2024 was £41.8m (2023: £8.6m) which is an adjusted operating profit margin of 9.0% (2023: 10.3%). The Group's proforma adjusted EBITDA for the year ended 30 September 2024 was £51.0m, a year-on-year increase of 43%. This non-IFRS metric is defined in Note 2 to the consolidated financial statements and includes £8.1m of pre-acquisition adjusted EBITDA and synergistic benefits. A reconciliation of adjusted operating profit to proforma adjusted EBITDA for the year ended 30 September 2024 is as follows:

	£m
Adjusted operating profit	41.8
Add: depreciation and amortisation ¹	1.8
Add: right-of-use depreciation ²	8.6
Less: cash lease payments ³	(9.3)
Add: pre-acquisition adjusted EBITDA and synergistic benefits	8.1
Proforma adjusted EBITDA	51.0

¹ Excludes £1.8m of accelerated software amortisation which has been recorded within non-trading items during 2024 (see Note 12 to the consolidated financial statements).

² Excludes £0.3m of depreciation relating to vacated premises which has been recorded within non-trading items during 2024 (see Note 12 to the consolidated financial statements).

³ Excludes £0.3m of cash lease payments relating to vacated premises (see Note 30 to the consolidated financial statements).

Financial position

The Group's closing adjusted net debt at 30 September 2024 was £156.3m, £69.6m higher than the balance of £86.7m at 30 September 2023. The increase was driven by the acquisitions of Swale and Duality for £47.7m (see Note 34 to the consolidated financial statements for further details), £50.0m repaid to equity shareholders and holders of loan notes via a capital redemption (see Notes 25 and 31 to the consolidated financial statements for further details), interest and debt issue costs paid of £18.8m and other cash outflows of £10.9m offset by cash from operating activities of £57.8m. The Group's leverage ratio (measured as the ratio of adjusted net debt to proforma adjusted EBITDA) at 30 September 2024 was 3.01x which is comfortably within the leverage ratio permitted under the Facilities Agreement.

The Group's goodwill and acquired intangibles increased by £20.3m from the prior year's balance of £193.7m due to the acquisitions of Swale and Duality which contributed a total of £58.6m offset by an amortisation charge of £38.3m (£27.3m of which is as a result of the Group's decision to retire a number of tradenames at 30 September 2024 which is explained in further detail in Note 17 to the consolidated financial statements). Other non-current assets increased by £8.4m to £37.9m at 30 September 2024, of which £7.5m is due to the acquisitions of Swale and Duality.

Trade and other receivables at 30 September 2024 were £75.2m (2023: £76.7m) with the Group benefitting from entering into a non-recourse factoring programme during the year which offset the effects of higher year-on-year revenue and the acquisitions of Swale and Duality. Trade and other payables were £80.4m at 30 September 2024 (2023: £66.4m), reflecting the acquisitions made in the year offset by the in-year settlement of £5.7m of non-trading liabilities at 30 September 2023.

The Group's closing total equity at 30 September 2024 was £13.0m (2023: £58.5m). The decrease in equity reflects the Group's net loss for the year of £26.7m and the effect of the capital redemption of £27.3m offset by new shares issued for total consideration of £8.0m and a share-based based credit of £0.5m which was recorded directly in equity.

Capital structure and debt

The Group is financed through a capital structure of equity, external debt and cash on the consolidated balance sheet. The table below provides summary of adjusted net debt at 30 September 2024 (refer to Notes 2, 24, 25 and 27 to consolidated financial statements for further information).

Facility	£m	Maturity	Notes
Facility B and B2 GBP	109.1	June 2030	Fully drawn at 30 September 2024
Facility B and B2 EUR	29.0	June 2030	Fully drawn at 30 September 2024
WCBF	15.0	June 2030	Fully drawn at 30 September 2024
Acquisition/Capex Facility	20.0	June 2030	Fully drawn at 30 September 2024
ACF GBP Facility	-	June 2030	Facility of £13.0m with £nil drawn at 30 September 2024
Additional Acquisition Facility	3.0	June 2030	Facility of £20.0m with £17.0m undrawn at 30 September 2024
Revolving Credit and Ancillary Facilities	-	June 2030	Total facilities of £23.0m with £nil drawn at 30 September 2024
Recourse factoring and hire purchase liabilities	1.8	-	-
Less: Cash and cash equivalents	(21.6)	-	-
Adjusted net debt at 30 September 2024	156.3		

VOLT TOPCO (CP) LIMITED

Strategic Report (continued)

As set out in Note 24 to the consolidated financial statements, the Group has a number of covenants in place in respect of its financing structure which, among other things, restrict the Group from entering into certain transactions.

The capital structure enables the business to be resilient as well as providing investment to drive growth through strategic initiatives, for example the acquisitions of Swale, Duality and Low Carbon Exchange.

Cash flow

During the year, the Group reported £60.9m (2023: £10.3m) of cash generated from operations which is driven by reported EBITDA of £43.6m and changes in working capital of £18.5m (2023: £10.6m). In December 2023, the Group entered into a non-recourse invoice factoring programme which yielded an in-year working capital cash flow benefit of £24.2m. During the year, the Group paid £13.4m of one-off non-trade items relating to transaction costs and exceptional items. Excluding this amount, cash generated from operations was £74.3m. With corporation tax payments of £3.1m (2023: £0.9m), cash generated from operating activities was £57.8m (2023: £8.3m). The Group paid £47.7m net cash consideration for Swale and Duality (comprising cash consideration of £51.0m and cash acquired of £3.3m) with capital expenditure totalling £3.2m (2023: £0.4m). The Group received £0.5m of proceeds on the disposal of a business and £0.7m of proceeds from an equity investment distribution, meaning net cash used in investing activities was £49.7m for the year ended 30 September 2024 (2023: £207.1m).

During the year, the Group drew £73.0m of additional bank borrowings which were used to finance the Group's £50.0m capital redemption and also part-finance the acquisition of Duality in April. Interest paid during the period was £15.0m (2023: £0.3m) reflecting the higher balance of bank borrowings with the Group incurring £3.8m of fees in relation to the establishment and drawdown of debt. Lease liabilities paid in the year of £9.6m include £0.3m paid in respect of vacated premises whilst other financing activities totalled an inflow of £1.6m. Overall, the Group's net cash used in financing activities was £3.8m (2023: cash generation of £216.1m) which, when aggregated with the other cash flows, resulted in a cash inflow during the year of £4.3m and a closing cash and cash equivalents position of £21.6m (2023: £17.3m).

Financial risks

The Group is exposed to market risk, credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on its financial performance and focuses on mitigation of the unpredictability of financial markets as they affect the Group. Further details of the Group's financial risk management objectives and policies are set in in Note 33 of the consolidated financial statements.

Risk	Explanation	How the risk is managed
Market risk (interest rate risk)	Market risk represents the uncertainty in the financial position due to fluctuations in the level and volatility of market prices of assets and liabilities. As set out on page 9, interest on the Group's bank borrowings is payable based on a margin over SONIA and EURIBOR. Any adverse movement in these interest rate benchmarks could affect our profitability and cash flows.	The Group has entered into interest rate swaps, further details of which are set out in Note 33 to the consolidated financial statements. In addition, the Facilities Agreement includes a ratchet mechanism whereby the margin payable can decrease as adjusted net leverage reduces (refer to Note 24 to the consolidated financial statements).
Credit risk	Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group, The Group is exposed to credit risk in relation to its financial assets, outstanding derivatives and trade and other receivables.	The Group primarily uses published credit ratings to assess counterparty strength and therefore to define the credit limit for each counterparty, in accordance with approved treasury policies. The Group assesses its counterparty exposure in relation to undrawn credit facilities. Note 22 to the consolidated financial statements provides an ageing of the Group's of trade receivables.
Liquidity risk	Liquidity risk is the risk that the Group either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost. The liquidity position of the Group is underpinned by bank borrowings. Any non-compliance with banking covenants may have a significant impact on the Group's liquidity position.	The Group has strong treasury management controls having invested in a dedicated treasury function. Rigorous budgeting, planning and cash forecasting enables the Group to monitor future headroom against the lender covenants and take appropriate action.

The Group's principal risks and uncertainties are set out on pages 9 and 10.

Key performance indicators ("KPIs")

The results for 2024 and 2023 can be summarised as follows. Non-financial KPIs are presented on for a full year for 2023 to aid comparability.

Financial KPIs (£m unless stated otherwise)	2024	2023	Change
Revenue (as reported)	466.3	83.6	+382.7
Revenue (proforma)	503.4	449.1	+54.3
Gross profit (as reported)	90.5	13.7	+76.8
Gross profit (proforma)	101.4	81.6	+19.8
Gross profit margin % (as reported)	19.4%	16.4%	+3.0 points
Gross profit margin % (proforma)	20.1%	18.2%	+1.9 points
Adjusted operating profit ¹	41.8	8.6	+33.2
Proforma adjusted EBITDA ¹	51.0	35.6	+15.4
Loss before tax (as reported)	(32.6)	(6.9)	(25.7)
Adjusted net debt ¹	156.3	86.7	+69.6
Net assets	13.0	58.5	(45.5)

¹ See Note 2 to the consolidated financial statements for the definition of adjusted operating profit, proforma adjusted EBITDA and adjusted net debt.

VOLT TOPCO (CP) LIMITED

Strategic Report (continued)

Non-financial KPIs	2024	2023	Change
Carbon intensity (tCO ₂ e)	29.4	31.3	6.1% lower
Employee engagement (%)	70%	68%	+2.0 points
Utilisation of apprenticeship levy (%)	92%	84%	+8.0 points
Health and safety: RIDDOR ¹	10	19	(9)
Accidents	165	178	(13)
HSE enforcement notices	-	-	-

¹ Reporting of injuries, diseases and dangerous occurrences regulations.

The directors consider the Group's performance against our KPIs to be satisfactory and demonstrates strong growth in its principal markets.

Trends and factors affecting future development and performance

The social housing sector requires consistent long-term funding, a focus on improving existing stock, and policy stability to realise its full potential. In October 2024, the UK Labour Government delivered its first Budget which marked a significant step forward for the social housing sector and will go far to answer some of the longstanding demands for more substantial support. There is a commitment to build 5,000 new and affordable social homes. This, plus the injection of £500m into the Affordable Homes Programme, indicates that this Labour Government is serious about addressing the ongoing housing crisis and tackling the shortage of affordable housing options head-on. The decision to cap rents with a new five-year social housing rent settlement and the reduction in Right to Buy discounts are significant. These moves will provide better financial stability for social housing residents and will keep more homes within the social housing sector for those who really need them.

Investing in the fabric of existing housing stock to bring it up to the necessary standards will be key to ensure not only the rent, but the energy and heating of the home is affordable too. Additionally, allowing councils to retain 100% of Right to Buy receipts should encourage local authorities to reinvest in their housing stock alongside building more homes to meet ever-growing demand during this cost-of-living crisis. There are still gaps in enabling the meeting of targets set for improving existing social housing stock, and this would be a welcome source of funding to work towards addressing this. We look forward to further collaboration with the Government to ensure these plans truly support millions of people in accessing safe, affordable, and quality social housing.

Principal risks and uncertainties

A key focus of the Group's strategy is to reduce risk and build a sustainable and profitable business, with predictable recurring revenues and increasing margins. We constantly review our control and monitoring processes and our systems and work closely with our clients to understand how our marketplace is changing and how it is likely to change in the future. The following details the main risks the Group currently faces and how we mitigate them.

Changes in government policy

The public sector and regulated industries provide a significant proportion of Group revenue so the business is dependent on policies and programmes adopted by UK, devolved national and local governments. Significant changes to government policy and legislation could have a material impact on results. The Group's mitigating actions and controls include the recruitment of a Group Commercial Director to increase the Group's understanding of current legislation and contribute to the Government's thought processes on how to shape the industry in the transition period to net zero.

Major health and safety incident

We provide services in a range of potentially higher-risk environments. For example, providing electrical and gas services in homes and public buildings sometimes at height. A significant health and safety incident could cause serious injury or death and incur significant reputational loss in the markets in which the Group operates. The Group mitigates this risk through its culture of promoting safety in the heart of its operations. The Group's investment in health and safety systems and dedicated safety teams in each of its businesses help ensure safety reporting is robust and safety documentation and policies are maintained and reviewed regularly against operational risks and legislative requirements. Staff training in health and safety is mandatory and is refreshed regularly.

Failure to attract and retain people

The Group needs suitably skilled and engaged people to deliver the required service quality at all levels in the business. Without this, the ability to grow and win tenders would be adversely impacted. The Group invests significant resources in developing and training managers and employees including the Sureserve Academy. The Group monitors employee engagement and satisfaction formally and informally which helps shape development in terms and conditions and support.

Supply chain availability and cost inflation

Due to macroeconomic reasons, the lead times on certain materials (e.g. air source heat pumps and solar PV panels) could extend and lead to business inefficiency. Supplier price rises during a period of higher inflation can impact profitability. In mitigation, the Group has developed very strong relationships with the supply chain utilising its considerable purchasing power to ensure continuity of supply and mitigation of price increases. The majority of the Group's customer contracts contain clauses allowing for general inflation or specific cost rises to be passed on to them.

Information security and data privacy

Information security and data protection remains a risk that all businesses face given the critical nature of systems to the running of businesses. The threat posed by external parties is constantly evolving. Non-compliance with data privacy legislation can result in material fines and loss of reputation. The Group constantly monitors current and future system vulnerabilities with a dedicated information security team. The Group's IT infrastructure has been designed with controls such as dual authenticity in place. Employee training in this area is mandatory and refreshed on an annual basis.

Interest rate risk

Interest on the Group's bank borrowings is payable based on a margin over SONIA and EURIBOR. Any adverse movement in these interest rate benchmarks could affect our profitability and cash flows. In mitigation, the Group has entered into interest rate swaps, further details of which are set out in Note 33 to the consolidated financial statements. In addition, the Facilities Agreement includes a ratchet mechanism whereby the margin payable can decrease as adjusted net leverage reduces (refer to Note 24 to the consolidated financial statements).

VOLT TOPCO (CP) LIMITED

Strategic Report (continued)

Liquidity

The liquidity position of the Group is underpinned by bank borrowings. Any non-compliance with banking covenants may have a significant impact on the Group's liquidity position. The Group has strong treasury management controls having invested in a dedicated treasury function. Rigorous budgeting, planning and cash forecasting enables the Group to monitor future headroom against the lender covenants and take appropriate action. Operating cashflow is a key performance metric for all parts of the Group. Note 24 to the consolidated financial statements provides further details about the Group's bank borrowings.

Engaging with our stakeholders - Section 172 statement

Recognising and understanding our stakeholders enables the Group's directors to satisfy their duties under section 172(1)(a) to (f) of the Companies Act 2006, and to take into consideration the interests of stakeholders and other matters in their decision making. When determining what is most likely to promote the success of the Group and its members, the directors consider the potential impact on these stakeholder groups, communities, the environment and the Group's reputation. It is vital to our success that we build and maintain a strong reputation as a responsible business and trusted partner to all our stakeholders. Our stakeholders help to shape our strategy, and understanding our engagement with these groups ensures we are able to continue to do business the right way, keeping our promises, building positive relationships within our marketplace, and minimising our impact on the environment.

As part of the identification of key stakeholders, the directors have identified the following stakeholder groups with whom engagement is fundamental to the Company's ongoing success:

- employees
- clients
- clients' customers
- suppliers
- communities
- financial partners
- shareholders

Employees

We make sure that the Group is an enjoyable and motivating place to work and we work hard to engage with our employees. We listen and learn from the opinions and insights that colleagues provide and help them to progress their careers in line with our business goals. Our investment in training and development incorporates all types of professional skills, and our employees are actively encouraged to propose their own ideas for personal development. The directors recognise that the Group's employees are fundamental to the success of the business and, as such, are committed to ensuring the alignment of the Group's culture and strategy. The future of the Group depends on attracting, retaining and motivating our people, ensuring we remain a responsible employer, in terms of pay, benefits and well-being, and ensuring a safe and diverse workplace.

The Sureserve Academy is the Group's learning and development hub and engages employees through online training, our Apprenticeship programmes and employee upskilling. Employees are also engaged with through our annual Group-wide employee engagement survey, our equality, diversity and inclusion steering and working groups and our employee People Voice forum. Through our website, newsletters, intranet, emails and social media, employees are communicated with throughout the year, as well as during national inclusion week, recognising employees through *Sureserve Legends* and long-service awards. Employees are engaged with from the beginning of their journey with the Group through regular meetings of the safety, health, environment and quality ("SHEQ") and bid forums. Employees are directly engaged with through a Group core values project, a refreshed Group strategy, Group-wide and business focused webinars and a Group-wide people plan.

Our people expect the Group to be committed to their well-being in both their professional and personal lives. Training and development are essential aspects of the Group's ability to recruit and retain talent, as well as important parts of succession planning and it is important that our people are valued in the delivery of their work, with their efforts being recognised and rewarded. Open and honest communication is important to workplace culture with leadership and management offering clear strategic direction, accountability and accessibility should employees have issues they want to bring forward. The Group has a duty as a responsible business to ensure our workplace is safe and healthy for all our people, free from discrimination and visibly working towards improvements in equality, diversity and inclusion.

The Group's has created a set of core values for employees, drawing on the experiences and perspectives of employees from across our businesses and from all levels. This year's employee engagement survey delivered a score of 70% (2023: 68%) across a set of key themes. Businesses communicated results back to their workforces and action plans have been delivered based on a number of live employee feedback sessions. As set out above, a Group-wide people plan has been delivered, covering in depth development strategies across a number of key themes. Finally, the Group is a member of *Inclusive Employers*, showing our continued commitment to creating inclusive workplaces.

Clients

We deliver high-quality services with great efficiency, enabling our clients to meet their legal, regulatory and environmental obligations. Strong client relationships through exceptional contract delivery are essential for the Group's financial stability, continued growth and long-term strategy. Our reputation as a service provider of choice is also important in developing new opportunities. We engage through ongoing management of client relationships by senior leadership, press releases, website and social media, charitable support via the Sureserve Foundation, collaborative awards submissions, meetings and briefings and local community support projects in collaboration with clients.

Customer satisfaction is an important driver in determining the quality of experience for our clients and their customers. Our operational and financial performance, along with the brand reputation, are all indicators to new and existing clients as to how the Group operates and can determine perceptions of the Group. The way in which we communicate significant changes in the business to clients, both at Group and at business level, involves clarity and transparency and ensures clients maintain confidence going forward. Strong working relationships and effective leadership underpin aspects of trust and confidence especially during challenging periods of contract delivery.

The quality of our people across the Group, and their access to training and support as well as the necessary resources and equipment to fulfil their role, is ultimately responsible for the successful delivery of our contracts and influences our clients' experience. We can help our clients understand, plan for and realise their carbon reduction targets. Our delivery of social value during the lifetime of a project is increasingly creating added value in our relationships with our clients.

VOLT TOPCO (CP) LIMITED

Strategic Report (continued)

In the year we have continued to develop strong working relationships with clients and charitable partners to identify and deliver social impact in the communities we work in, specifically focusing on measures to combat fuel poverty. This includes developing initiatives and operational systems now significant to our clients' social value delivery. In addition, we have been awarded a number of substantial contracts in the year, both new contracts and retentions of existing contracts with long-term clients and we have continued our partnership with the environmental education charity *Young People's Trust for the Environment*, offering their *Better Planet Schools* online platform and free energy audits for a number of schools across the UK.

Clients' customers

We help to provide safe, warm and well-maintained homes and buildings that improve quality of life of residents, employees and business owners across the UK. It is essential the Group delivers operational excellence and exceptional customer service to our clients' customers, thus ensuring their well-being, health, safety and peace of mind. We engage with clients' customers through customer journey programmes during the delivery of our contracts, through initiatives connected with the Sureserve Foundation including the delivery of fuel poverty programmes and energy efficiency advice and guidance, via our website and social media channels, through community events and delivery of our customer service, through community assistance projects and social value incorporated into contract delivery.

Brand recognition and reputation are important in the delivery of our contracts, and trust and confidence in our services in turn positively affects our community-focused opportunities in the scope of works. Residents, homeowners, businesses and public bodies benefit from the measures we install and maintain through reduced fuel poverty, improved safety and well-being, and increased community cohesion through improvements to homes and places of work. Through our clients we have access to residents experiencing fuel poverty, allowing us to deliver advice and assistance which impacts their well-being.

The benefits delivered through our contracts have helped households across the UK reduce fuel and energy consumption and impacted carbon emissions, as well as ensuring safe systems and their users' health and well-being. Businesses across the Group have engaged with clients during the period to identify and deliver assistance to their residents, providing operational measures and volunteers to help individuals and families experiencing fuel poverty. Through renewed investment in technology the Group has begun a wider roll-out of a number of customer service modules available online, giving residents direct access to us via SMS, *Whatsapp* and online chat.

Suppliers

We provide opportunities for national and local suppliers to grow their business by developing strong relationships with an expanding group. In order to meet the needs of our clients and their customers, we utilise high-quality materials and resources, delivered by suppliers of choice which meet our ethical standards and are compliant with our Code of Conduct, governance policies and supply chain best practices. We engage with our suppliers in a number of ways, including through supplier conferences and workshops and the Sureserve Foundation.

Supply risk must be managed in relation to data security, corporate responsibility and the financial, operational, contractual and reputational damage which may be caused by failures in the supply chain. The Group is committed to being a responsible business and as such it is important that legal, ethical and environmental business standards are maintained, including fair payment terms for our supply chain's employees.

We have engaged with key suppliers to review and further establish processes for the management of supply chain risks and issues, with escalation to directors as and when necessary. In addition, the directors have reviewed the actions taken by the business to prevent modern slavery at any stage of our supply chain and approved our Modern Slavery Statement.

Communities

We are determined to play our part in making our communities sustainable places to live and work, and we embrace making a positive difference and aim to leave behind a strong and lasting legacy. The communities in which we work are also our communities, and the Group is committed to building positive relationships and helping support them at a local level, creating opportunities for work and development, combating fuel poverty and working with local organisations to raise awareness and funds. We engage with our communities in a number of ways including through our website and social media, the Sureserve Foundation, the Sureserve Academy, through the delivery of social value via contract delivery, through local community support projects in collaboration with clients and through school and university information events.

Fuel poverty is experienced by a large number of households across the UK and the variety of economic challenges during the last few years have worsened the situation for many. Work undertaken by the Group, our people independently volunteering and the Sureserve Foundation all have a direct effect on community health and well-being in this regard. Environmental considerations in the delivery of projects we undertake as well as in the Group's overarching activities have a direct, profound and long-lasting effect on communities across the UK and the delivery of social value projects during contracts benefits a variety of groups in the communities we work within, improving health and cohesion of the community, and offering employment opportunities to a local pool of job seekers.

The Group is transitioning to a zero emissions fleet by replacing petrol or diesel commercial vehicles with electric vehicle ("EV") equivalents, thus improving the quality of the environments within which we work. Many of our people have volunteered throughout the year in support of local, community-focused causes, with many seeking and receiving financial or logistical support from their businesses, with the directors highlighting and encouraging a range of fundraising and volunteering work across the Group during the period. We are supporting *Better Planet Schools*, providing a number of free lighting audits and biodiversity investments to schools across the UK, advising them on the best way to increase energy efficiency and reduce energy costs, and improve their local environment to benefit their pupils.

The Group remains a signatory to the Disability Confident employer scheme and has signed up to the Social Recruitment Covenant which encourages employers to place greater emphasis on recruiting people who are disadvantaged in the labour market and helps to ensure our recruitment practices adhere to the Social Recruitment Framework. The Group is part of the Employee Recognition Scheme (holding a silver award), working with the Ministry of Defence on the Career Transition Partnership which focuses on getting ex-Armed Forces personnel back into work. With colleagues' mental health being a key focus for the Group, we have partnered with MIND and have mental health first aiders in place across the Group.

VOLT TOPCO (CP) LIMITED

Strategic Report (continued)

Financial partners

Our responsible business management reflects our deep understanding of risk versus returns. We rely on the continued support of our financial partners to ensure we have the necessary funds to trade on a day-to-day basis and pursue the Group's growth strategy. We engage with our financial partners through ongoing management of client relationships by senior leadership, submission of monthly management accounts, our Annual Report and Financial Statements and publication of mandatory documents on the Group website. The Group's financial performance, governance and transparency in its activities influence the ongoing relationship with its financial partners.

We maintain excellent relationships with our banking partners, maintaining regular dialogue on matters pertaining to trading and risk in the Group and also maintain a strict internal review process on covenant compliance to ensure we remain in line with the requirements of our banking documents.

Shareholders

We operate in non-volatile trading environments with predictable recurring cash flows that should deliver growing revenues and profits. It is important for our shareholders to understand our strategy, and how through it we aim to deliver sustainable growth and create long-term sustainable value in line with Group policies and standards. The Group's private shareholders are engaged with by the Group's Chair & CEO who delivers operational and performance updates and who ensures the directors have a clear understanding of their role and contribution as part of the wider Group. Key ongoing considerations concerning our shareholders are the Group's financial performance, governance and transparency, new contract wins, technological innovation and its reputation. Consistent and clear communication to our shareholders throughout the year and especially around key reporting periods is essential.

By order of the Board

S Sheridan

Spencer Sheridan
Director

20 December 2024

VOLT TOPCO (CP) LIMITED

Directors' Report

The directors present the Annual Report and Financial Statements for the period ended 30 September 2024.

Directors

The directors who held office during the period and up to the date of this report unless otherwise stated were:

Christophe Auber	(appointed 15 February 2024)
Lars Kastenholz	(resigned 6 October 2023)
Luigi Aridon	(appointed 6 October 2023; resigned 15 February 2024)
Mandar Kulkarni	
Spencer Sheridan	(appointed 29 May 2024)

Directors' indemnity

The Company provides, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their power, including any liability relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company.

Results and dividends

The loss for the year to 30 September 2024 amounted to £26.7m (loss for the period to 30 September 2023: £7.9m). No dividends were paid during the year (2023: £nil).

Equal opportunities and employment policy

The Group is committed to offering equal opportunities to all; no employee or potential employee receives more or less favourable treatment due to their gender, age, race, national or ethnic origin, disability, sexual orientation, or marital status. The Group is committed to the training and development of all employees and to providing a productive working environment. Should an existing employee's circumstance change, it is the Group's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever possible. Further details are provided in the Strategic Report on pages 5 and 6.

Employee involvement

During the year, the Group has provided employees with information about the Group through regular employee updates, including using social media and holding divisional meetings. Employees are actively encouraged to present their suggestions and views on the Group's performance. A free flow of information between the directors, managers and other employees ensures that every person has an opportunity to contribute ideas to the Group. Further details about how the Group interacts with its employees are set out on pages 5 and 6.

Health and safety

The Group strives to provide and maintain a safe environment for all employees, clients and visitors to its premises and complies with the relevant health and safety legislation. The Group is committed to the wellbeing of its employees and actively promotes best-practice in the workplace. The Group's health and safety key performance indicators are set out on page 9.

Political donations

Neither the Company nor any of its subsidiaries made any disclosable political donations or incurred any disclosable political expenditure during the year (2023: £nil).

Disclosure of information to auditor

The directors who held office at the date of the 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 auditor is 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 auditor is aware of that information.

Future developments and events after the balance sheet date

The directors remain optimistic around opportunities for continued growth within the Group. Our strong position is reinforced by the Government's continued emphasis on a net zero target for carbon emissions by 2050 with current legislation supporting this target. The Group will continue to review other appropriate acquisition opportunities as the Group expands its scale, service mix and geographical offering. Consistent with this, on 29 October 2024, the Group acquired 100% of the issued share capital of Low Carbon Exchange Limited for a total consideration (on a cash- and debt-free basis) of £26.0m comprising cash consideration of £20.0m and contingent consideration of £6.0m.

Disabled persons

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

Statement of compliance with Guidelines for Disclosure and Transparency in Private Equity

The directors consider this Annual Report and Financial Statements complies with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.

VOLT TOPCO (CP) LIMITED

Directors' Report (continued)

The environment - Streamlined Energy and Carbon Reporting ("SECR")

Sustainability is one of our core values and important to the future success of the business. The UK Government's commitment to achieve net zero carbon by 2050 presents a large opportunity for the Group as social housing providers will need to retrofit their homes with clean technology and insulation. The Group is also committed to improving its own environmental performance.

Governance

The Board recognises that the transition to the zero-carbon economy represents a significant opportunity for the Group. As set out on pages 4 to 12, the Group already has a strong market position in the retrofit social housing market, and we continue to monitor the transition to ensure we understand the implications for our strategy.

The Group continues to maintain a Group-wide certification to the environmental management systems standard ISO 14001 and the energy management system standard ISO 50001 to ensure we have robust systems.

Although the Group does not reach the threshold for mandatory reporting under The Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022, we have completed a review of the climate-related risks and opportunities and summarise this in the following sections.

Strategy

The requirement to retrofit social housing with insulation and clean technology to meet net zero carbon emissions is a key focus of our strategy. This year we undertook our first risk and opportunity assessment. This assessment:

- identified transitional and physical risks and opportunities;
- assessed the materiality of these over the short-term (fewer than three years), medium-term (three to 10 years) and long-term (greater than 10 years); and
- considered how the Group will manage this.

We do not see any significant risks or opportunities in the short-term. In the medium-term, however, we anticipate significant opportunities for the Group to grow its Energy Services business unit. We are training our existing gas installers in renewable technologies along with the next generation of installers through our apprenticeship programmes. The recent reorganisation will ensure the Group's business model is resilient and able to meet the future needs of the market.

Risk

We have undertaken a climate-related risk assessment considering transitional risk, acute physical risks and chronic physical risks. The highest scoring risks are changes in Government policy and carbon pricing. None of the risks are considered high once the mitigating controls have been considered. We will review this at least quarterly at our Group Risk Management Committee.

Metrics

Our carbon and energy reporting data is presented below. The data has been produced in line with the SECR requirements meaning we have followed the Greenhouse Gas ("GHG") Reporting Protocol and used the UK Government GHG Conversation Factors for Company Reporting. We have reported data for all businesses that have been part of the Group for the full financial year. Businesses acquired during the current year (Swale and Duality) will be included in next year's report.

The Group has seen a year-on-year increase in operations. This has resulted in a 6.7% increase our total carbon emissions (tCO₂e) on a like-for-like basis. However, our intensity metric has decreased by 6.1% due to strong revenue growth. With regards to our like-for-like carbon reporting (location-based), transportation accounts for 96.7% (2023: 96.8%) of our total Scope 1 and 2 emissions.

Total energy use

	Scope	2024 kWh	2023 ¹ kWh
Non-renewable utility			
Transportation	1	44,682,884	42,554,784
Natural gas	1	1,085,174	986,570
Grid-supplied electricity	2	925,839	845,964
Total		46,693,897	44,387,318

¹ During the current year, a review of our data management processes was undertaken. As a result, figures for 2023 have been restated.

Like-for-like carbon reporting (location-based)

	2024 tCO ₂ e	2023 ¹ tCO ₂ e
Scope 1	11,532	10,816
Scope 2	192	175
Total	11,724	10,991
% change from previous year	6.7%	-

¹ During the year, a review of our data management processes was undertaken. As a result, figures for 2023 have been restated.

Like-for-like carbon intensity metric

	Tonnes CO ₂ e per £1m revenue
2024	11,724t CO ₂ e / £398.6m ² = 29.4
2023 ¹	10,991t CO ₂ e / £351.0m = 31.3

¹ During the year, a review of our data management processes was undertaken. As a result, figures for 2023 have been restated.

² Revenue of £398.6m excludes the post-acquisition revenue of Swale and Duality of £67.7m in total.

VOLT TOPCO (CP) LIMITED

Directors' Report (continued)

There are enormous benefits from retrofitting homes with renewable technology and insulation. We estimate the avoided emissions (sometimes referred to as Scope 4) from the heat pumps and solar PV we installed for our customers the year to 30 September 2024 to be 49,097tCO₂e which is four times our Scope 1 and 2 carbon emissions.

The Group is currently implementing a service management system to improve our operational efficiency. Once complete we will develop an update fleet replacement strategy that will enable us to set a transition plan to net zero. Our plans for 2025 include:

- reporting of Scope 3 emissions;
- publishing our Scope 4 avoided emissions methodology on our website;
- undertaking a climate-related scenario planning exercise (in line with the Task Force for Climate Related Financial Disclosures guidance); and
- setting targets to reduce carbon from our operations.

Financial risk management objectives and policies

The Group's overall risk management programme seeks to minimise potential adverse effects on its financial performance and focuses on mitigation of the unpredictability of financial markets as they affect the Group. Further details of the Group's financial risk management objectives and policies are set in in Note 33 of the consolidated financial statements.

Business relationships

Details of the Group's business relationships can be found in the Section 172 statement on pages 10 to 12.

Auditor

RSM UK Audit LLP has indicated its willingness to be reappointed for another term. A resolution to reappoint RSM UK Audit LLP as auditor will be proposed at the Annual General Meeting.

S Sheridan

Spencer Sheridan
Director

20 December 2024

VOLT TOPCO (CP) LIMITED

Statement of directors' responsibilities

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

Company law requires the directors to prepare Group and Company financial statements for each financial year. The directors have elected under company law to prepare the consolidated financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The consolidated financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position, financial performance and cashflows of the Group. The Companies Act 2006 provides in relation to such consolidated financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 the Company and of the profit or loss of the Group for that period.

In preparing each of the consolidated and Company financial statements, the directors are required to:

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

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

The statement was approved by the Board of Directors on 20 December 2024 and is signed on its behalf by:

Spencer Sheridan
Director

Independent auditor's report to the members of Volt Topco (CP) Limited

Opinion

We have audited the financial statements of Volt Topco (CP) Limited (the "Company") and its subsidiaries (the "Group") for the year ended 30 September 2024 which comprise the consolidated statement of comprehensive income, the consolidated and Company balance sheets, the consolidated and Company statement of changes in equity, the consolidated cash flow statement and the Notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the consolidated financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards including FRS 101 *Reduced Disclosure Framework* (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 Company's affairs as at 30 September 2024 and of the Group's loss for the year then ended;
- the consolidated financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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 Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 16, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Volt Topco (CP) Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are UK-adopted IAS, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting computations from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety regulations. We performed audit procedures to inquire of management and those charged with governance whether the Group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The Group audit engagement team identified the risk areas noted below where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- management override of controls: testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions outside the normal course of business, challenging judgments and estimates applied in the preparation of the financial statements.
- revenue recognition: testing a sample of revenue transactions recorded close to the period end and identifying and investigating transactions posted to nominal ledger codes outside of the normal revenue cycle through use of a data analytic tool; testing accrued income on a sample basis to ensure that, for those items selected, the corresponding work has been completed in the year under review.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the consolidated financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our Group audit approach.

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

Use of our report

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

David Olsson

David Olsson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
4th Floor
100 Avebury Boulevard
Buckinghamshire
Milton Keynes
MK9 1FH

20 December 2024

VOLT TOPCO (CP) LIMITED

Consolidated statement of comprehensive income for the year ended 30 September 2024

	Note	Year ended 30 September 2024 £m	Period ended 30 September 2023 £m
Continuing operations			
Revenue	7	466.3	83.6
Cost of sales		(375.8)	(69.9)
Gross profit		90.5	13.7
Other expenses before non-trading items		(50.3)	(5.8)
Share of results of joint ventures		1.6	0.7
Adjusted operating profit		41.8	8.6
Non-trading items	12	(10.7)	(9.7)
Share-based payments charge	10	(0.5)	-
Amortisation of acquired intangibles	17	(38.3)	(1.8)
Operating loss		(7.7)	(2.9)
Finance income	13	0.8	-
Finance expenses	13	(25.7)	(4.0)
Loss before tax		(32.6)	(6.9)
Taxation	14	5.9	(0.9)
Loss for the period from continuing operations		(26.7)	(7.8)
Discontinued operations			
Loss for the period from discontinued operations	11	-	(0.1)
Loss for the period attributable to the equity holders of the Group		(26.7)	(7.9)

The prior period comparatives of the Group include the results of the Group from date of incorporation on 28 March 2023 and include the trading results of businesses acquired from 11 July 2023 and are therefore not comparable year on year.

The accompanying Notes on pages 23 to 54 form part of these consolidated financial statements.

VOLT TOPCO (CP) LIMITED

Consolidated balance sheet at 30 September 2024

	Notes	2024 £m	2023 £m
Non-current assets			
Goodwill	16	148.5	106.9
Other intangible assets	17	68.6	88.6
Property, plant and equipment	18	3.7	2.1
Right-of-use assets	19	24.9	19.0
Interests in joint ventures	20	6.2	5.9
Deferred tax assets	29	-	0.7
Total non-current assets		251.9	223.2
Current assets			
Inventories	21	8.4	8.4
Trade and other receivables	22	75.2	76.7
Cash and cash equivalents		21.6	17.3
Current tax assets		-	0.5
Total current assets		105.2	102.9
Total assets		357.1	326.1
Current liabilities			
Trade and other payables	23	(80.4)	(66.4)
Other borrowings	25	(1.7)	-
Lease liabilities	30	(9.3)	(6.7)
Derivative financial instruments		-	(0.1)
Provisions	28	(0.8)	(0.2)
Current tax liabilities		(0.6)	-
Total current liabilities		(92.8)	(73.4)
Non-current liabilities			
Bank borrowings	24	(169.4)	(100.2)
Other borrowings	25	(40.8)	(57.4)
Deferred consideration	26	(5.7)	-
Lease liabilities	30	(16.0)	(13.1)
Provisions	28	(3.0)	(1.3)
Deferred tax liabilities	29	(16.4)	(22.2)
Total non-current liabilities		(251.3)	(194.2)
Total liabilities		(344.1)	(267.6)
Net assets		13.0	58.5
Equity			
Ordinary share capital	31	-	-
Preference share capital	31	-	-
Share premium account	31	47.1	66.4
Share-based payments reserve		0.5	-
Profit and loss account		(34.6)	(7.9)
Total equity attributable to equity shareholders		13.0	58.5

The accompanying Notes on pages 23 to 54 form part of these consolidated financial statements.

The consolidated financial statements were approved by the Board of Directors on 20 December 2024 and were signed on its behalf by:

S Sheridan

Spencer Sheridan
Director

VOLT TOPCO (CP) LIMITED

Consolidated statement of changes in equity for the year ended 30 September 2024

	Ordinary share capital £m	Preference share capital £m	Share premium account £m	Share- based payments reserve £m	Profit and loss account £m	Total equity attributable to equity shareholders £m
Balance on incorporation (28 March 2023)	-	-	-	-	-	-
Comprehensive loss for the period	-	-	-	-	(7.9)	(7.9)
<i>Transactions with owners</i>						
Issue of ordinary share capital	-	-	3.1	-	-	3.1
Issue of preference share capital	-	-	63.3	-	-	63.3
Balance at 30 September 2023	-	-	66.4	-	(7.9)	58.5
Comprehensive loss for the year	-	-	-	-	(26.7)	(26.7)
<i>Transactions with owners</i>						
Issue of ordinary share capital	-	-	3.9	-	-	3.9
Issue of preference share capital	-	-	4.1	-	-	4.1
Share-based payments	-	-	-	0.5	-	0.5
Capital redemption	-	-	(27.3)	-	-	(27.3)
Balance at 30 September 2024	-	-	47.1	0.5	(34.6)	13.0

The accompanying Notes on pages 23 to 54 form part of these consolidated financial statements.

VOLT TOPCO (CP) LIMITED

Consolidated cash flow statement for the year ended 30 September 2024

	Note	2024 £m	2023 £m
Cash flow from operating activities			
Loss before tax		(32.6)	(6.9)
<i>Adjustments for:</i>			
Finance income	13	(0.8)	-
Finance expenses	13	25.7	4.0
Amortisation of software	17	2.5	0.1
Amortisation of acquired intangibles	17	38.3	1.8
Depreciation of property, plant and equipment	18	1.1	0.2
Depreciation of right-of-use assets	19	8.9	1.6
Deferred contingent consideration	26	0.2	-
Share-based payments charge	10	0.5	-
Share of results of joint ventures		(1.6)	(0.7)
Changes in working capital:			
Decrease/(increase) in inventories		2.5	(1.0)
Decrease in receivables		21.7	6.2
(Decrease)/increase in payables		(5.7)	5.4
Total changes in working capital		18.5	10.6
Increase/(decrease) in provisions		0.2	(0.4)
Cash generated from operations		60.9	10.3
Tax paid		(3.1)	(0.9)
Net operating cash flows from discontinued activities		-	(1.1)
Net cash generated from operating activities		57.8	8.3
Cash flow from investing activities			
Acquisition of subsidiaries (net of cash acquired)	34	(47.7)	(206.3)
Proceeds on disposal of subsidiaries (net of cash disposed)		0.5	(0.4)
Proceeds from equity investment distributions		0.7	-
Purchase of property, plant and equipment		(1.3)	(0.2)
Purchase of software		(1.9)	(0.2)
Net cash used in investing activities		(49.7)	(207.1)
Cash flow from financing activities			
Proceeds from issue of ordinary shares		-	3.1
Proceeds from issue of preference shares classified as equity	31	5.0	58.3
Proceeds from issue of preference shares classified as debt	25	9.2	26.4
Proceeds from issue of share options		1.3	-
Repayments of preference shares classified as equity	31	(27.3)	-
Repayments of preference shares classified as debt	25	(14.4)	-
Net proceeds from shareholder loans		-	29.7
Repayments of shareholder loan notes	25	(17.5)	-
Proceeds from drawdown of bank borrowings		73.0	104.0
Proceeds from recourse factoring		1.7	-
Repayment of acquired debt		(5.6)	-
Finance issue costs paid	24	(3.8)	(3.3)
Premium on derivatives paid		(0.8)	-
Interest paid		(15.0)	(0.3)
Repayment of lease liabilities	30	(9.6)	(1.8)
Net cash (used in)/generated from financing activities		(3.8)	216.1
Net increase in cash and cash equivalents		4.3	17.3
Cash and cash equivalents at the beginning of the period		17.3	-
Cash and cash equivalents at the end of the period		21.6	17.3

The accompanying Notes on pages 23 to 54 form part of these consolidated financial statements.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements for the year ended 30 September 2024

1. General information

Volt Topco (CP) Limited (the "Company") is incorporated and domiciled in England and Wales under the Companies Act. The registered office of the Company is 13 Southampton Place, London WC1A 2AJ. The principal activities are discussed in the Strategic Report on pages 4 to 12. The Company is owned by Cap10 Partners Fund I SCSp and Volt Coinvest SCSp (together the "Funds") who have jointly made an investment into the Company. Cap10 Partners LLP acts as the Investment Advisor and Portfolio Manager to the General Partner of the Funds, Cap10 Partners GP S.à r.l., ("Cap10") which has 100% of the voting rights and makes all decisions on behalf of the Funds.

These consolidated financial statements for the year ended 30 September 2024 were approved for issue by the Board of Directors on 20 December 2024.

2. Definition of terms

The Group uses the following terms, with the definition given, in these consolidated financial statements and its internal monitoring of financial performance.

Adjusted operating profit / adjusted operating profit margin

The Group monitors performance of its businesses on an earnings before interest, tax, non-trading items, share-based payments charge and amortisation of acquired intangibles ("adjusted operating profit") basis. This measure includes depreciation of right-of-use assets, depreciation of property, plant and equipment and amortisation of software. Adjusted operating profit margin (expressed as a percentage) is defined as adjusted operating profit for the period divided by external revenue for the same period.

Proforma adjusted EBITDA / EBITDA margin

Proforma adjusted EBITDA is stated before interest, tax, non-trading items, share-based payments charges, depreciation of property, plant and equipment and right-of-use assets, amortisation of software and amortisation of acquired intangibles. Additionally, the measure includes a deduction for underlying cash lease payments for the year. Proforma adjustments included within this metric include pre-acquisition adjusted EBITDA for acquired business, quality of earnings adjustments and synergistic benefits. Proforma adjusted EBITDA margin (expressed as a percentage) is defined as proforma adjusted EBITDA for the period divided by external proforma revenue for the same period.

Non-trading items

Non-trading items are non-recurring and, in the judgement of management, should be disclosed separately on the basis that they are material, either by their nature or their size, to provide a better understanding of the Group's financial performance and enable comparison of financial performance between years.

Adjusted net debt

Under IFRS, the Group presents as net debt the net of cash and cash equivalents, bank borrowings (including unamortised debt issue costs), other borrowings (comprising shareholder loans, A1 preference shares classified as debt, accrued interest thereon and recourse factoring liabilities) and lease liabilities. However, for internal and bank reporting purposes, the directors present as adjusted net debt only the net of cash and cash equivalents, bank borrowings (excluding unamortised debt issue costs), recourse factoring liabilities (within other borrowings) and any lease or hire purchase contract which would have been treated as a finance lease prior to the implementation of IFRS16 *Leases*. See Note 27 for further details.

3. Amended and new accounting Standards

The following amendments and Standards became effective during the year and were adopted by the Group. The Group has assessed that there is no material impact on adoption of the following amendments.

	Effective date
• International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)	1 January 2023
• Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
• Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
• Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
• Insurance Contracts, Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17)	1 January 2023

The Group is assessing the impact of the following amendments and Standards that are not yet effective. Where already endorsed by the UK Endorsement Board ("UKEB"), these changes will be adopted on the effective dates noted. Where not yet endorsed by the UKEB, the adoption date is less certain.

	Effective date
• Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024
• Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024
• Leases on Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
• Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
Not yet endorsed by the UKEB:	
• Classification and Measurement of Financial Instruments (Amendment to IFRS 9 and IFRS 7)	1 January 2026
• IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

4. Basis of preparation

(i) Basis of accounting

These consolidated financial statements have been prepared on a historical cost basis, except for derivatives which have been measured at fair value. The Group's consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those Standards.

These consolidated financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates. All amounts disclosed in these consolidated financial statements and Notes have been rounded to millions to the nearest one decimal place except where otherwise stated.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's consolidated financial statements except as noted below.

The prior period comparatives of the Group include the results of the Group from date of incorporation on 28 March 2023 and include the trading results of businesses acquired from 11 July 2023 and are therefore not comparable year on year.

(ii) Basis of consolidation

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries ("the Group"). These consolidated financial statements incorporate the assets, liabilities, income and expenses of the Group. The financial statements of the subsidiaries are prepared for the same financial reporting period as the Company, using consistent accounting policies. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date of disposal when such control ceases. All intra-group transactions, balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full on consolidation.

As a consolidated statement of comprehensive income is published, a separate statement of comprehensive income for the Company is omitted from the financial statements by virtue of section 408 of the Companies Act 2006.

(iii) Going concern

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The directors regard the foreseeable future as no less than 12 months following publication of these consolidated financial statements. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

In assessing the Group's ability to continue as a going concern, the Board reviews and approves the annual budget, including forecasts of cash flows, borrowing requirements and covenant headroom. The Board reviews the Group's sources of available funds and the level of headroom available against its committed borrowing facilities and associated covenants. The Group's financial forecasts, considering possible sensitivities in trading, indicate that the Group will be able to operate within its committed borrowing facilities and within the requirements of the associated covenants for the foreseeable future.

The Group has entered into an English law facilities agreement with certain funds managed by Pemberton Capital Advisors LLP (as the original lenders), National Westminster Bank Plc (as the revolving credit facility ("RCF") establishment lender), Kroll Agency Services Limited (as the agent), Kroll Trustee Services Limited (as security agent) and others (together the "Facilities Agreement"). The Facilities Agreement provides for certain committed senior debt facilities which run to July 2030. During the current year, the Group established additional facilities under the Facilities Agreement of £106m (comprising term loans of £83m and a £23m RCF), increasing the overall size of the Facilities Agreement to £230m (of which £176m was drawn at 30 September 2024). The Group's bank borrowing facilities are described in further detail in Note 24 to the consolidated financial statements. Details of the Group's approach to financial risk management, its financial instruments and hedging activities and its exposure to credit risk, market risk and liquidity risk are set out in Note 33 to the consolidated financial statements.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

5. Significant accounting policies

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration transferred in a business combination is measured at the aggregate of the fair values at the date of exchange, which is calculated as the sum of the fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquired company and the equity interest issued by the Group in exchange for control of the acquired company. Acquisition-related costs are recognised as non-trading items in the consolidated statement of comprehensive income, as incurred.

At the acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value. Goodwill is measured as the excess of the sum of the consideration transferred over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognised immediately in the consolidated statement of comprehensive income as negative representing a bargain purchase gain.

In certain circumstances, the initial accounting for a business combination is only determined on a provisional basis. The Group has up to 12 months from the date of the business combination (the measurement period) to complete its work on the fair values of assets and liabilities acquired and finalise the fair value of consideration transferred. Such "measurement period" adjustments arise from additional information obtained during the measurement period about facts and circumstances that existed at the acquisition date. Any adjustments the Group makes to the provisional values are recognised as if they had occurred at the date of the business combination.

To the extent that deferred consideration is payable as part of the acquisition cost and is payable after one year from the acquisition date, the deferred consideration is discounted at an appropriate interest rate and, accordingly, carried at fair value in the consolidated statement of financial position and accounted for in accordance with IFRS 9 *Financial Instruments*. The discounting is then recognised in the consolidated statement of profit or loss over the life of the obligation.

Revenue

Revenue recognition is determined according to the requirements of IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"). All revenue is considered revenue from contracts with customers as defined by the Standard. IFRS 15 prescribes a five-step model of accounting for revenue recognition which includes identifying the contract, identifying performance obligations, determining the transaction price, allocating the transaction price to different performance obligations and the timing of recognition of revenue in connection with different performance obligations.

For contracts with multiple components to be delivered such as solar panels, servicing and repairs, management applies judgement to consider whether those promised goods and services are: (i) distinct - to be accounted for as separate performance obligations; (ii) not distinct - to be combined with other promised goods or services until a bundle is identified that is distinct; or (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

At contract inception the total transaction price is estimated, being the amount to which the Group expects to be entitled and has rights to under the present contract. This includes the fixed price stated in the contract and an assessment of any variable consideration resulting from variation orders, discounts, rebates, refunds, performance bonuses, penalties, service credits. Variable consideration is estimated based on the expected value or the most likely outcome method and is only recognised to the extent that it is highly probable that a subsequent change in its estimate would not result in a significant revenue reversal.

Once the total transaction price is determined, the Group allocates this to the identified performance obligations in proportion to their relative stand-alone selling prices and recognises revenue when (or as) those performance obligations are satisfied.

For each performance obligation identified in the contract, the Group determines if revenue will be recognised over time or at a point in time.

Performance obligations satisfied over time

The Group recognises revenue over time on contracts where any of the following criteria is met;

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs it; or
- the services provided creates or enhances an asset that the customer controls; or
- the services provided do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The Group typically recognises revenue on an over time basis for the following:

- certain energy services
- gas services
- fire services
- water and air hygiene services

For each performance obligation to be recognised over time, the Group applies a revenue recognition method that faithfully depicts the Group's performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the Group has promised to transfer to the customer. The Group applies the relevant output or input method consistently to similar performance obligations in other contracts.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

Performance obligations satisfied at a point in time

If the criteria for satisfying a performance obligation over time are not met, revenue is recognised at the point in time when control of the goods or services transfers to the customer. This will be at the point when the jobs are completed and there is a right to invoice.

The Group typically recognises revenue on a point in time basis for the following:

- certain energy services
- smart metering

Schedule of rates ("SOR") contracts

SOR contracts are set based on predetermined rates for a list of services and duties required by the customer.

For short-term jobs usually completed within a few days, the right to consideration is considered to correspond directly with the value of performance completed to date as measured by the amounts specified for each job set out on the rate card. Revenue is recognised when the jobs are completed or invoiced. Where deemed appropriate, the Group will utilise the practical expedient within IFRS 15 and recognise revenue in line with amounts invoiced. Contract fulfilment costs are expensed as incurred.

For longer term jobs, the Group applies the relevant output or input revenue recognition method for measuring progress that depicts the Group's performance in transferring control of the goods or services to the customer. Contract fulfilment costs are expensed as incurred.

Certain longer-term jobs use the output method based upon surveys of performance completed or milestones reached which allow the Group to recognise revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services under the contract.

Under the input method, revenue is recognised in direct proportion to costs incurred where the transfer of control is most closely aligned to the Group's efforts in delivering the service.

Fixed price (or lump sum) service contracts

Certain contracts, in particular for gas servicing and maintenance, are procured on a fixed price basis. Revenue qualifies for recognition over time as the customer receives and consumes the benefits from the service as it is being provided. Revenue for maintenance and reactive activities is recognised on a straight-line basis over the term of the contract. Where servicing and maintenance activity is expected to take place evenly throughout the performance period, revenue is recognised on a straight-line basis over the contract term. Where activity is more aligned to periodic service events, then revenue is allocated to those events and recognised over the contract term when those events take place. Contract fulfilment costs are expensed as incurred.

Accrued income and deferred income

The Group's customer contracts include a diverse range of payment schedules which are often agreed at the inception of longer-term jobs under which it receives payments throughout the term of the contracts.

Where revenue recognised at the period end date is more than amounts invoiced, the Group recognises an accrued income contract asset for this difference. Where revenue recognised at the period end date is less than amounts invoiced, the Group recognises a deferred income contract liability for this difference.

Employee benefits

Short-term employee benefits are expenses as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

The grant-date fair value (which reflects any market performance condition) of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Retirement benefit costs

The Group contributes to the personal pension plans of certain employees of the Group. The assets of these schemes are held in independently administered funds. The pension cost charged in the consolidated statement of comprehensive income represents the contributions payable by the Group in accordance with IAS 19 *Retirement Benefits*.

Non-trading items

As explained above, the Group presents as non-trading items on the face of the consolidated statement of comprehensive income those items of expense which, because of their size and/or nature and/or expected infrequency of the events giving rise to them, merit separate presentation to allow users of these consolidated financial statements to better understand the elements of financial performance in the period. Details of non-trading items are explained in Note 12.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

Finance expenses

Interest payable on bank borrowings is charged to the consolidated statement of comprehensive income as incurred. Interest on shareholder loans and interest on A1 preference shares classified as debt is charged to the consolidated statement of comprehensive income as incurred. Capitalised debt issue costs are amortised through the consolidated statement of comprehensive income over the term of the instrument using the effective interest rate method. All other borrowing costs (including commitment fees, agent fees and security agent fees) are written off to the consolidated statement of comprehensive income as incurred.

The Group uses foreign currency forwards to hedge risks associated with foreign exchange rate fluctuations. Changes in mark-to-market valuations on such derivative financial instruments are recognised in the consolidated statement of comprehensive income.

To the extent the Company or its individual subsidiary companies are involved in transactions in foreign currencies, such transactions are translated to the entity's functional currency using the spot rate. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Foreign exchange differences arising on settlement and on retranslation of foreign currency monetary assets and liabilities are included in the consolidated statement of comprehensive income.

Taxation

Corporation tax on profit or loss for the period comprises current and deferred tax. The Group recognises all taxation expense in the consolidated statement of comprehensive income.

Current tax

Taxable profit differs from net profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's asset for current tax is calculated using tax rates enacted or substantively enacted during the period.

Deferred tax assets and liabilities

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax liabilities are generally recognised for all taxable temporary differences. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the consolidated statement of comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

When current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Government grants

The Group recognises a government grant when it is receivable. Government grants are offset against applicable costs where appropriate, as opposed to being reported as other income.

Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale. A discontinued operation represents (i) a separate major line of the business or geographical area or (ii) is part of a single co-ordinated plan to dispose of separate major lines of business or geographical areas of operations or (iii) was acquired exclusively with a view to resale. In the consolidated statement of comprehensive income, income and expenses from discontinued operations are reported separately for continuing operations. The resulting profit or loss comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss on sale recognised on the disposal group(s) constituting the discontinued operation.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

Goodwill

Goodwill is initially recognised and measured as set out above. Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's CGUs expected to benefit from the synergies of the combination. CGUs to which the goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other intangible assets

Other intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired as part of a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Acquired intangibles are recognised if they are separable from the acquired entity or arises from contractual or other legal rights and its fair value can be measured reliably. The amounts ascribed to such intangibles are arrived at by using suitable valuation techniques (see Note 34). Subsequent to initial recognition, acquired intangibles are carried at cost less accumulated amortisation and accumulated impairment losses.

Internally-developed IT infrastructure and computer software assets (for own use) are recognised at cost. In line with IAS 38 *Intangible Assets*, development costs are capitalised when the asset is identifiable, the value can be measured reliably, and it is probable that economic benefits will flow to the Group. Where no internally generated intangible asset can be recognised, development expenditure is charged to the consolidated statement of comprehensive income in the period in which it is incurred. The Group only capitalises internally generated costs from the configuration and capitalisation of software as a service ("SaaS") projects when it is able to obtain economic benefits from the activities independent from the SaaS solution itself.

Computer software purchased from third-parties is initially recognised at cost.

Other intangible assets are amortised over the following periods:

Purchased and developed computer software	Three to five years
Customer relationships	13 years
Tradenames	One year
Customer contracts	Remaining duration of contract
Technology	Three years

No intangible assets other than goodwill have been assessed as having indefinite lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. The gain or loss from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the consolidated statement comprehensive income when the asset is derecognised.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is calculated so as to write-off the cost, less its estimated residual value, over the estimated useful economic life of that asset. Depreciation is calculated on a straight-line basis. The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstance indicate that carrying amounts may not be recoverable.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Property, plant and equipment is depreciated over the following periods:

Leasehold improvements	Over the period of the lease
Plant and equipment	Three to seven years
Fixtures and fittings	Three to five years
Motor vehicles	Four years

An item of property, plant and equipment is derecognised upon disposal, or when no future economic benefits are expected to arise from the continued use of the asset. The gains or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of comprehensive income.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

Leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or a series of payments, the right to use a specific asset for an agreed period. The Group, as a lessee, applies the following accounting policies:

Right-of-use assets

The Group records right-of-use assets at cost at the commencement date of the lease, which is the date the underlying asset is available for use, less any accumulated depreciation and impairment losses, and adjusted for subsequent remeasurement of lease liabilities. Cost includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Cost also includes any dilapidation or restoration costs.

Right-of-use assets are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the lease term.

Leases liabilities

The Group assesses whether a contract is a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration. The Group records a lease liability at the commencement date of the lease at the present value of the lease payments to be made over the lease term, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the Group's incremental borrowing rate specific to the type of asset.

Lease payments include fixed payments, including in-substance fixed payments, and variable lease payments that depend on an index or a rate, less any lease incentives receivable. Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

The Group subsequently measures lease liabilities at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right-of-use asset, when there is a change in future lease payments due to a change in the lease term, a change in the in-substance fixed lease payments or a change in the Group's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The Group records the accretion and settlement of interest through accruals and reduces the carrying amount of lease liabilities for the capital element of lease payments made.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the low-value asset recognition exemption to groups of underlying leases considered uniformly low-value.

The Group expenses lease payments on short-term lease and leases of low-value assets in the consolidated statement of comprehensive income.

Interests in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Under IFRS 11 *Joint Arrangements*, joint ventures are accounted for under the equity method of accounting. Interests in joint ventures acquired as part of a business combination are initially recognised at fair value with any fair value uplift carried as a permanent difference to the share of net assets. Loans receivable from joint ventures and interests in joint venture entities are reviewed for impairment at each year end.

Impairment of non-financial assets (other than goodwill)

Apart from goodwill which, as set out above, is required under IFRS to be tested for impairment annually, at each reporting date the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where appropriate, labour and overheads which have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision is made, where appropriate, to reduce the value of inventory to its net realisable value.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

Financial assets and liabilities

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant financial instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with a maturity of three months or less. Bank overdrafts are presented as current liabilities to the extent that there is no right of offset with cash balances. For the purposes of the consolidated cash flow statement, the Group includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management as a component of cash and cash equivalents.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and measured subsequently at amortised cost less any provision for impairment losses including expected credit losses. The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and accrued income contract assets, estimated using a combination of historical experience and forward-looking information.

The Group operates an invoice factoring programme for certain of its trade receivables. Under this arrangement, trade receivables are transferred to a third party on a non-recourse basis, subject to the conditions of the factoring agreement. Where certain conditions of the agreement are not met (such as availability of credit insurance), invoice factoring is provided on a recourse basis.

In respect of non-recourse factoring, the Group transfers substantially all risks and rewards of the trade receivable to the Factor, including credit and late payment risk. Therefore, trade receivables are derecognised as a financial asset at the point of non-recourse factoring. Trade receivables funded on a recourse basis are not derecognised and the funding received in respect of these balances is presented within Other Borrowings (see Note 25).

Trade and other payables

Trade and other payables are not interest-bearing and are stated initially at fair value and are subsequently held at amortised cost. This generally results in recognition at nominal value.

Bank borrowings

Interest-bearing bank borrowings are recorded at the fair value of the proceeds received, net of direct debt issue costs, and subsequently at amortised cost. The Group accounts for finance charges, including premiums payable on settlement or redemption and direct issue costs, using the effective interest method.

Other borrowings

Interest-bearing shareholder loans are recorded at the fair value of the proceeds received, net of direct issue costs, and subsequently at amortised cost. Interest is accrued on a compounded basis and is capitalised annually. A1 preference shares issued by the Company classified as debt instruments are recorded at the proceeds received, net of direct issue costs.

Where cash has been received from customers that is owed to third party factoring agents which relates to recourse factoring arrangements, these amounts are classified as other borrowings.

Derivative financial instruments

The Group primarily uses derivatives to manage economic exposure to financial risks. The principal instrument used are foreign exchange forward contracts. The Group does not use derivatives for speculative purposes. The Group recognises derivatives at fair value based on market prices or rates, or calculated using discounted cash flow or option pricing model. The Group recognises changes in the fair value of derivatives in the consolidated statement of comprehensive income. The Group does not designate any derivative in a hedging relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the consolidated balance sheet unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are classified according to the substance of the of the contractual obligations rather than the legal form. The Company's A2 preference shares are classified as equity as they have no fixed maturity date and the holders of the instruments do not have a put option to redeem them. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and where it is probable that the Group will be required to settle that obligation in cash and the amount can be reliably estimated. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation and are discounted to present value where the effect is material. Details of material provisions are disclosed unless it is not practicable to do so or where it could be expected to prejudice seriously the position of the Group.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

Contingent liabilities

For contingent liabilities (where an economic outflow is only possible as opposed to probable), it is often not practicable to estimate the financial effect due to the range of estimation uncertainty. For contingent liabilities where the possibility of economic outflow is remote, disclosure of the estimated financial effect is not required. Contingent liabilities acquired in a business combination are initially valued at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised.

6. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 5, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amount recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that may have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in consolidated financial statements.

Revenue recognition

Revenue is recognised based on the stage of completion of job or contract activity. Certain types of service provision pricing mechanisms require minimal estimation and judgement; however service provision lump sum and longer term contracts do require judgements and estimates to be made to determine the stage of completion and the expected outcome for the individual contract. A sum will be recognised in relation to accrued income on the consolidated balance sheet, details of which are described in Note 22. These assessments include a degree of uncertainty and therefore if the key judgements and estimates change, further adjustments of recoverable amounts may be necessary. Revenue is generated from a large number of contracts with customers, such that there is limited sensitivity to material revisions arising from changes in estimates on individual contracts.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill and acquired intangibles

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units ("CGUs") to which the goodwill is allocated. Estimating a value-in-use requires the directors to make an estimate of the expected future cash flows from the CGU and choose a suitable discount rate in order to calculate the present value of those cash flows. These cash flows are based on the Board-approved annual budget. Further details of goodwill are contained in Note 16.

The Group assesses at least annually whether there is any indication of any of its acquired intangibles (comprising customer relationships, tradenames, customer contracts and technology intangibles) being impaired. If there is such an indication, the individual asset's recoverable amount is measured and, if necessary, an impairment charge is recorded. Further details of acquired intangibles are contained in Note 17.

If a CGU's goodwill was to be fully impaired following the annual assessment of the carrying amount of goodwill, any remaining excess of book value over recoverable amount would be allocated to other asset classes of the CGU, including its acquired intangibles.

Valuation of assets and liabilities in a business combination

The acquisition of subsidiaries is accounted for using the purchase method and the purchase consideration is allocated over the net fair value of the identifiable net assets, liabilities and contingent liabilities acquired, with any excess consideration representing goodwill. In determining the fair value of assets, liabilities and contingent liabilities acquired, the directors may make significant estimates and assumptions, including those with respect to cash flows and unprovided liabilities and commitments.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

Useful lives of acquired intangibles

On acquisition of subsidiaries, the Group will consider the useful lives of any intangible asset acquired. The useful lives of customer relationships are assessed based on the average lives of historic customer relationships. The useful lives of tradenames are assessed based on the directors' view of the market and the length of time the tradenames have been established, and the estimated continued use of the tradenames by the Group. The useful lives of customer contracts are assessed based on the term of the relevant contract. The useful lives of technology intangibles are based on the directors' view on the period over which the technology will benefit the Group. The amortisation period and amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. During the year ended 30 September 2024, the Group initiated a rebrand of underlying tradenames to a unified 'Sureserve' brand which triggered a reassessment of the useful lives of acquired tradenames (see Note 8). Details of asset lives are contained in Note 5. Further details of acquired intangibles are contained in Note 17.

Provisions for legal and other claims

The Group manages a number of potential risks and uncertainties, including claims and disputes, which could have a material impact on short- and longer-term performance. The Board remains focused on the outcome of a number of contract settlements on which there is a range of outcomes for the Group in terms of both cash flow and impact on the consolidated statement of comprehensive income.

In quantifying the likely outturn for the Group, the key judgements and estimates will typically include:

- the scope of the Group's assessed responsibility;
- an estimation of economic outflow (including potential likelihood); and
- a commercial assessment of potential further liabilities.

Estimates of amounts provided take account of legal advice where sought. Details of specific cases are not disclosed due to potential commercial sensitivity. Further details of provisions are contained in Note 28.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

7. Revenue

The following is an analysis of the Group's revenue:

	Year ended 30 September 2024	Period ended 30 September 2023
	£m	£m
Compliance services	286.0	49.0
Energy services	180.3	34.6
Total revenue	466.3	83.6

All revenue and profit is derived from operations in the United Kingdom ("UK") only. The Group accounts for intercompany trading on an arm's length basis. All intercompany trading is eliminated on consolidation.

8. Profit before taxation

The Group's loss before tax is stated after charging:

		Year ended 30 September 2024	Period ended 30 September 2023
	Note	£m	£m
Amount of inventories recognised as an expense		102.0	20.8
Amortisation of software	17	2.5	0.1
Amortisation of acquired intangibles	17	38.3	1.8
Depreciation of property, plant and equipment	18	1.1	0.2
Depreciation of right-of-use assets	19	8.9	1.6
Staff costs	9	158.8	27.0

During the year ended 30 September 2024, the Group initiated a rebrand of underlying tradenames to a unified 'Sureserve' brand. As such, the Group has accelerated the amortisation of acquired tradenames during the year, resulting in an accelerated amortisation charge of £27.3m included within amortisation of acquired intangibles above.

Included within the above for the year ended 30 September 2024 is £1.8m of amortisation of software and £0.3m of depreciation of right-of-use assets which are included within non-trading items (see Note 12).

The total remuneration during the period of the Group's auditor was as follows:

	Year ended 30 September 2024	Period ended 30 September 2023
	£000s	£000s
Fees payable to the Company's auditor and their associates for audit services to the Group:		
Audit of the Company's and Group's annual accounts	158	251
Audit of the Company's subsidiaries	545	374
Total	703	625

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

9. Information relating to employees

The average number of employees, including directors, employed by the Group during the period was:

	Year ended 30 September 2024	Period ended 30 September 2023
	Number	Number
Direct labour and contract management	2,469	1,594
Administration and support	960	1,147
Total	3,429	2,741

The Group's closing number of employees at 30 September 2024 was 3,729 (2023: 2,673 which reflects the disposal of Precision Lifts Services, as set out in Note 11).

The aggregate remuneration was as follows:

	Year ended 30 September 2024	Period ended 30 September 2023
	£m	£m
Wages and salaries	139.8	24.0
Social security	14.2	2.4
Pension costs	3.6	0.6
Termination benefits	0.7	-
Share-based payments charge	0.5	-
Total	158.8	27.0

The Group contributes to the personal pension plans of certain employees of the Group. The assets of these schemes are held in independently administered funds. The Group contributed to a workplace pension scheme for all employees in compliance with the automatic enrolment legislation. For the year ended 30 September 2024, the total Group charge amounted to £3.6m (period ended 30 September 2023: £0.6m). At 30 September 2024 there were £0.8m of contributions outstanding (30 September 2023: £0.6m).

10. Share-based payments

Management Incentive Plan

During the year, the Company established a Management Incentive Plan ("MIP") for the benefit of certain senior directors and management. The MIP is an equity-settled share scheme and, as set out in Note 31, relates to B1 ordinary shares, B1 preference shares and C ordinary shares (collectively referred to as "MIP shares").

Under the terms of the MIP, in the event of a sale, a listing or a winding up (together an "exit"), the employees who are part of the MIP will benefit in full from their shares. The share-based payment arrangement is accounted for as having a service condition up to the date of an exit. Under IFRS 2 *Share-based Payment* ("IFRS 2"), the condition for an exit is a market performance condition because the holders of MIP shares will only benefit if the exit exceeds a certain hurdle price and/or the amount by which they will benefit, for each respective class of MIP share, also depends on the exit price. As such, this is factored into the grant date fair value measurement of the share-based payment arrangement under IFRS 2. MIP shares are subject to being bought back at their original subscription price if the employee leaves employment prior to an exit occurring.

The exit condition is viewed as being two separate conditions: a market performance condition (being the occurrence of an exit meeting a certain hurdle price) and a non-market performance condition (being the occurrence of an exit). This is on the basis that an exit occurring at any price has substance, and it is possible an exit would be pursued at a level which results in no benefit to the employee, on their respective class of MIP shares. As a result, the arrangement is treated as having a variable vesting period, being the period up to the expected date of an exit. This period is reassessed at each reporting date, and a charge is only recognised if an exit is considered more likely than not to be achieved.

The total charge for the year relating to the MIP was £0.5m (see Note 9).

The movement in MIP shares during the year is as follows:

	Note	2024 Number
Granted	31	1,215,847
Cancelled and bought back	31	(358,688)
Outstanding 30 September 2024		857,159

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

Measurement of fair values

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value of MIP shares granted in the year were calculated using a Monte Carlo option pricing model. The assumptions used in the model were:

	Year ended 30 September 2024
Fair value at measurement date:	
B1 ordinary shares	£6.18 to £27.51
B1 preference shares	£0.72 to £1.20
C ordinary shares	£5.96 to £43.07
Expected volatility	40.0%
Expected life	4.3 years to 4.9 years
Dividend yield	-
Risk-free rate	3.68% to 4.20%

The different classes of shares in the Company participate in distributions at different times and above certain equity value hurdles. In effect, these are the exercise prices above which the future equity value of the Company must exceed in order for distributions to be made.

The expected volatility is the relative rate at which the price of the security moves up and down. It is derived from calculating the annualised standard deviation of the daily changes in the share price. The expected life is based on an estimated exit date of 30 September 2028. This is approximately five years after the initial acquisition of Sureserve Group (11 July 2023). For the risk-free rate assumption, the directors have considered the yield on UK Government bonds commensurate with the expected life at each valuation date. The Group interpolates between the two closest bond yields where the expected life does not align to the time to maturity of issued UK Government bonds exactly.

11. Discontinued operations

There were no disposals during the year ended 30 September 2024. On 29 September 2023, the Group sold 100% of its investment in Precision Lift Services Limited ("Precision") to Anlev (UK) Holdings Limited for total net sale proceeds of £0.2m, comprising deferred consideration of £0.5m less £0.3m of directly attributable costs. The results of the discontinued operation from the date of the acquisition to 30 September 2023, which have been included in the consolidated statement of comprehensive income, were as follows:

	Period ended 30 September 2023 £m
Revenue	2.6
Cost of sales	(2.3)
Gross profit	0.3
Other operating expenses	(0.4)
Operating loss	(0.1)
Finance expense	-
Loss before tax from discontinued operations	(0.1)
Taxation	-
Loss for the period attributable to the equity holders of the Group from discontinued operations	(0.1)

In October 2023, the Group received the full amount of the deferred consideration (including reimbursement of the £0.5m of cash and cash equivalents) and also paid the directly attributable costs.

The cashflows from operating and financing activities in the period ended 30 September 2023 are as follows:

	Period ended 30 September 2023 £m
Cash flow from operating activities	(1.1)
Cash flow from financing activities	-

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

12. Non-trading items

Non-trading items are non-recurring and, in the judgement of management, should be disclosed separately on the basis that they are material, either by their nature or their size, to provide a better understanding of the Group's financial performance and enable comparison of financial performance between years. Costs that are considered by management for designation as non-trading items are as follows:

	Note	Year ended 30 September 2024 £m	Period ended 30 September 2023 £m
Transaction costs	34	3.9	7.9
Exceptional items:			
- Restructuring costs		1.4	1.2
- Ceased operations		1.7	-
- Other charges		1.6	0.6
Total exceptional items		4.7	1.8
Other non-recurring expenses:			
- Depreciation of right-of-use assets		0.3	-
- Amortisation of software		1.8	-
Total other non-recurring expenses		2.1	
Total non-trading items		10.7	9.7

Transaction costs: For the year end 30 September 2024, these costs primarily relate to due diligence fees, advisor fees and legal fees incurred on the acquisitions of Swale (£1.2m) and Duality Group (£1.7m) which completed during the year (refer to Note 34 for further details) together with an amount of £0.1m in respect of the prior period acquisition of Sureserve and £0.2m for Low Carbon Exchange which completed in October 2024 but for which due diligence and legal costs had accrued.

Other transaction costs in 2024 of £0.7m primarily relate to the accession of acquired companies to the Facilities Agreement and the Group's set up of the non-recourse invoice factoring programme, further details of which are set out in Note 25.

Total unpaid transaction costs at 30 September 2024 were £0.4m. For the period ended 30 September 2023, these costs relate entirely to the acquisition by the Group of Sureserve Group Limited, ("Sureserve"). These costs include amounts in respect of due diligence fees, competition review fees, advisor fees and legal fees. Total unpaid transaction costs at 30 September 2023 were £5.7m.

Exceptional items: Restructuring costs incurred during the year ended 30 September 2024 of £1.4m primarily relate to post-acquisition restructuring costs in the acquired businesses. Restructuring costs in the prior period related to the termination of contracts of certain former directors of Sureserve as well as executive search fees. Ceased operations charges of £1.7m relate to a closed business line within Cor Energy and the closure of the Group's Sureserve Asset Services business during the year. Other exceptional items of £1.6m comprise various one-off project expenses and certain start-up costs. Total other charges of £0.6m in the prior period related to certain one-off projects and business start-up costs. Total exceptional items unpaid at 30 September 2024 were £0.3m (30 September 2023: £0.1m).

Other non-recurring charges: These non-cash costs relate to depreciation charges in respect of right-of-use assets which the Group has decided to vacate as part of the merging of acquired businesses together with accelerated amortisation charges of certain systems which were acquired with Swale and Duality but which the Group will replace over the next 12 months.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

13. Finance income and finance expenses

Finance income and finance costs comprise:

		Year ended 30 September 2024	Period ended 30 September 2023
	Note	£m	£m
Foreign exchange gain		0.8	-
Total finance income		0.8	-
Interest payable on bank borrowings		(14.2)	(2.3)
Interest on shareholder loan notes	25	(2.1)	(0.7)
Interest on A1 preference shares classified as debt	25	(3.9)	(0.6)
Amortisation of debt issue costs	24	(0.9)	(0.1)
Mark-to-market of derivative financial instruments		(0.7)	(0.1)
Interest on lease liabilities	30	(1.1)	(0.1)
Charges on factoring arrangements		(2.3)	-
Interest unwind on deferred consideration	26	(0.2)	-
Commitment and other fees		(0.3)	(0.1)
Total finance expenses		(25.7)	(4.0)
Net finance expenses		(24.9)	(4.0)

14. Tax on profit on ordinary activities

		Year ended 30 September 2024	Period ended 30 September 2023
		£m	£m
Current tax			
Current tax charge for the period		(3.9)	(1.0)
Adjustments in respect of prior periods		0.2	-
Deferred tax			
Deferred tax credit for the period		9.9	0.1
Adjustments in respect of prior periods		(0.3)	-
Total tax credit/(charge) on loss on ordinary activities		5.9	(0.9)

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

		Year ended 30 September 2024	Period ended 30 September 2023
		£m	£m
Loss before tax on continuing operations		(32.6)	(6.9)
Expected tax credit at the UK standard rate of 25.0%		8.2	1.7
Tax effects of:			
Adjustments in respect of prior periods		(0.1)	-
Effect of expenses not deductible for tax purposes		(2.2)	(2.6)
Tax credit/(charge) for the period		5.9	(0.9)
Effective tax rate		18.1%	24.9%

15. Dividends

The Board did not declare the payment of a dividend for the year ended 30 September 2024 (period ended 30 September 2023: none).

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

16. Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration transferred over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition.

	Note	Goodwill £m
Cost		
On incorporation (28 March 2023)		-
Acquisitions of businesses		106.9
At 30 September 2023		106.9
Acquisitions of businesses	34	41.6
At 30 September 2024		148.5
Carrying value		
At 30 September 2023		106.9
At 30 September 2024		148.5

Annual impairment test

At 30 September 2024, the Group consisted of 11 individual CGUs. For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

	Note	2024 £m	2023 £m
CGU			
Aaron Services		24.3	22.3
CorEnergy		6.6	15.7
Dyson Energy Services	34	16.4	-
Gas Call Services	34	17.5	-
Everwarm		10.5	8.6
H2O Nationwide		11.2	10.4
K&T Heating		18.7	17.0
Providor		9.7	8.9
Sure Maintenance		17.3	16.0
Sureserve Fire and Electrical		8.6	8.0
Swale	34	7.7	-
Total		148.5	106.9

Goodwill is not amortised but is reviewed for impairment on an annual basis or more frequently if there is an indication that goodwill may be impaired. Goodwill acquired in a business combination is allocated to CGUs according to the level at which management monitors that goodwill.

An asset is impaired if its carrying value exceeds the CGU's recoverable amount which is based upon value-in-use. At each reporting date impairment reviews are performed by comparing the carrying value of the CGU to its value-in-use.

Measurement period adjustments

During the year, the valuation of entities acquired during the period ended 30 September 2023 was finalised. This resulted in a reallocation of goodwill across the acquired CGUs reflecting management's best estimate of future cash flow projections.

Determination of recoverable amount

When testing for impairment, recoverable amounts for all of the Group's continuing CGUs are measured at their value-in-use by discounting the future expected cash flows from the assets in the CGUs. These calculations use cash flow projections based on Board-approved budgets and approved plans, which have been prepared after considering the expected market and economic conditions in which each business operates, as well as taking account of the Group's historic performance. Five-year cash flow forecasts have been used for all CGUs, and a terminal growth rate of 2% was applied.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

Discount rates

Inputs include risk-adjusted, pre-tax discount rates, calculated by reference to the weighted average cost of capital for each CGU, weighted to the country in which the CGU operates. The pre-tax discount rate applied was between 14.9% to 16.5% (2023: 16.1%). Movements in the pre-tax discount rates for CGUs since the year ended 30 September 2023 are primarily driven by decreases to the risk-free rate since 2023.

The estimated growth rates are based on past experience and knowledge of the individual sector's markets. The directors believe that the Social Housing Energy Services markets will continue to present strong growth opportunities for the Group. The directors believe that future growth in these markets is underpinned by a number of factors including:

- pipeline of new tenders
- further opportunities to work with other Group companies
- client demand for safe buildings
- adjacent market opportunities

The calculation of value-in-use is most sensitive to the discount rate and long-term growth rates used. The Group has concluded that the headroom calculated was not significantly impacted by a reasonably possible change in these inputs.

17. Other intangible assets

	Note	Acquisition intangibles					Total £m
		Software £m	Customer relationships £m	Tradenames £m	Customer contracts £m	Technology £m	
Cost							
On incorporation (28 March 2023)		-	-	-	-	-	-
Acquisitions of businesses		1.7	50.2	30.5	4.0	3.9	90.3
Additions		0.2	-	-	-	-	0.2
At 30 September 2023		1.9	50.2	30.5	4.0	3.9	90.5
Additions		2.1	-	-	-	-	2.1
Acquisitions of businesses	34	1.7	3.1	1.2	12.7	-	18.7
Disposals		-	-	(31.7)	-	-	(31.7)
At 30 September 2024		5.7	53.3	-	16.7	3.9	79.6
Amortisation							
Amortisation charge for the period		(0.1)	(0.9)	(0.7)	(0.1)	(0.1)	(1.9)
At 30 September 2023		(0.1)	(0.9)	(0.7)	(0.1)	(0.1)	(1.9)
Amortisation charge for the year		(2.5)	(4.0)	(31.0)	(1.9)	(1.4)	(40.8)
Disposals		-	-	31.7	-	-	31.7
At 30 September 2024		(2.6)	(4.9)	-	(2.0)	(1.5)	(11.0)
Carrying value							
At 30 September 2023		1.8	49.3	29.8	3.9	3.8	88.6
At 30 September 2024		3.1	48.4	-	14.7	2.4	68.6

During the year, management reassessed the estimated useful lives of acquired tradenames, triggered by the Group's decision to rebrand the underlying tradenames to a unified 'Sureserve' brand. Included in amortisation for the year is an accelerated amortisation charge of £27.3m relating to this change in assessed useful life.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

18. Property, plant and equipment

	Note	Buildings £m	Leasehold improvements £m	Plant and equipment £m	Fixtures and fittings £m	Total £m
Cost						
On incorporation (28 March 2023)		-	-	-	-	-
Acquisition of businesses		-	0.6	1.1	0.4	2.1
Additions		-	-	0.1	0.1	0.2
At 30 September 2023		-	0.6	1.2	0.5	2.3
Acquisition of businesses	34	0.8	-	0.4	0.2	1.4
Additions		-	0.2	0.7	0.4	1.3
Disposals		-	-	(0.2)	-	(0.2)
At 30 September 2024		0.8	0.8	2.1	1.1	4.8
Depreciation						
On incorporation (28 March 2023)		-	-	-	-	-
Depreciation charge for the period		-	(0.1)	(0.1)	-	(0.2)
At 30 September 2023		-	(0.1)	(0.1)	-	(0.2)
Depreciation charge for the year		-	(0.1)	(0.7)	(0.3)	(1.1)
Disposals		-	-	0.2	-	0.2
At 30 September 2024		-	(0.2)	(0.6)	(0.3)	(1.1)
Carrying value						
At 30 September 2023		-	0.5	1.1	0.5	2.1
At 30 September 2024		0.8	0.6	1.5	0.8	3.7

19. Right-of-use assets

	Note	Leasehold property £m	Motor vehicles £m	Total £m
Cost				
On incorporation (28 March 2023)		-	-	-
Acquisition of businesses		4.6	12.7	17.3
Additions		-	3.0	3.0
Modifications		0.4	0.1	0.5
Disposals		-	(0.2)	(0.2)
At 30 September 2023		5.0	15.6	20.6
Acquisition of businesses	34	2.9	1.5	4.4
Additions		2.2	8.3	10.5
Modifications		-	0.4	0.4
Disposals		-	(0.5)	(0.5)
At 30 September 2024		10.1	25.3	35.4
Depreciation				
On incorporation (28 March 2023)		-	-	-
Depreciation charge for the period	8	(0.2)	(1.4)	(1.6)
Disposals		-	-	-
At 30 September 2023		(0.2)	(1.4)	(1.6)
Depreciation charge for the year	8	(1.6)	(7.3)	(8.9)
Disposals		-	-	-
At 30 September 2024		(1.8)	(8.7)	(10.5)
Carrying value				
At 30 September 2023		4.8	14.2	19.0
At 30 September 2024		8.3	16.6	24.9

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

20. Interests in joint ventures

	2024 £m	2023 £m
Warmworks Scotland LLP ("Warmworks")	6.2	5.8
Byth Arbed am ("Arbed")	-	0.1
Total	6.2	5.9

Warmworks is a joint venture with Changeworks Resources for Life and the Energy Saving Trust Enterprises Limited. Warmworks' registered office is 1 Carmichael Place, Leith, Edinburgh, Midlothian, EH6 5PH. Included in the closing balance of Warmworks is a fair value uplift of £2.3m recognised on the acquisition of Sureserve. The Group's share of profit for the year ended 30 September 2024 was £1.6m (period ended 30 September 2023: £0.7m).

Arbed is a joint venture with the Energy Saving Trust Enterprises Limited. Arbed's registered office is 33 Cathedral Road, Cardiff, Wales, CF11 9HB. No profit or loss was recorded on Arbed in the current or prior period.

21. Inventories

	2024 £m	2023 £m
Raw materials and consumables	7.7	8.4
Work in progress	0.7	-
Total	8.4	8.4

The directors consider that the replacement value of inventories is not materially different from their carrying value. Certain subsidiaries of the Group have granted security over certain inventories by way of fixed and floating charges.

22. Trade and other receivables

	2024 £m	2023 £m
Gross trade receivables	28.0	38.0
Less: provision for credit losses	(0.4)	(0.6)
Accrued income	31.5	26.6
Net trade receivables and accrued income	59.1	64.0
Prepayments	7.9	4.7
Deferred consideration	-	0.5
Amounts owed by shareholders	-	5.0
Other receivables	8.2	2.5
Total	75.2	76.7

An analysis of the ageing of the Group's trade receivables and accrued income at 30 September is as follows:

	Gross carrying amount £m	Loss allowance £m	Net trade receivables and accrued income £m
Current	51.4	-	51.4
1-30 days	4.6	-	4.6
31-60 days	2.5	-	2.5
61-90 days	1.4	-	1.4
Over 90 days	4.7	(0.6)	4.1
At 30 September 2023	64.6	(0.6)	64.0
Current	47.6	-	47.6
1-30 days	6.8	-	6.8
31-60 days	1.4	(0.1)	1.3
61-90 days	1.0	(0.1)	0.9
Over 90 days	2.7	(0.2)	2.5
At 30 September 2024	59.5	(0.4)	59.1

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

The movements in the provision for expected credit losses in the period ended 30 September are as follows:

	2024 £m	2023 £m
Opening balance	(0.6)	-
Acquisition of businesses	(0.1)	(0.6)
Impairment losses recognised	(0.2)	(0.4)
Impairment losses reversed	0.5	0.4
Balance at 30 September	(0.4)	(0.6)

The directors consider that the carrying amount of trade receivables approximates to their fair value. Debts provided for and written off are determined on an individual basis and included in other expenses before non-trading items in the consolidated statement of comprehensive income. The directors believe the credit risk is low due to the majority of the Group's customer base being either public sector or regulated bodies. The Group's maximum exposure on credit risk is fair value of trade receivables as presented above. Certain subsidiaries of the Group have granted security over certain trade receivables by way of fixed and floating charges.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and accrued income. To measure expected credit losses on a collective basis, trade receivables and accrued income are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts. The expected loss rates are based on the Group's historical credit losses experienced over the five-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified key macroeconomic factors in the locations where the Group operates.

Accrued income arises due to the Group's customer contracts including a diverse range of payment schedules which are often agreed at the inception of longer-term jobs under which it receives payments throughout the term of the contracts. Where revenue recognised at the period end date is more than amounts invoiced, the Group recognises an accrued income contract asset for this difference.

23. Trade and other payables

	2024 £m	2023 £m
Trade payables	38.5	32.2
Accruals	22.7	18.9
Deferred income	1.9	1.2
Social security and other taxes	3.5	10.0
Other payables	13.8	4.1
Total	80.4	66.4

The directors consider that the carrying amount of trade payables approximates to their fair value for each reported period. Trade payables are non-interest bearing.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

24. Borrowings

	2024 £m	2023 £m
Bank borrowings	176.1	104.0
Unamortised debt issue costs	(6.7)	(3.8)
Total	169.4	100.2

As set out below, all drawn bank borrowings at 30 September 2024 and 2023 are repayable on 20 July 2030. Included within non-current total borrowings is £1.3m of unamortised debt issue costs which will amortise in the year ended 30 September 2025.

The carrying amounts of the Group's borrowings at 30 September 2024 and 2023 are denominated in the following currencies. Amounts held in euros have been converted at the respective exchange rate ruling at the balance sheet date.

	2024 £m	2023 £m
Pound sterling	147.1	91.0
Euro	29.0	13.0
Total	176.1	104.0

The weighted average interest rates on all bank borrowings are not materially different from their nominal interest rates. The weighted average interest rate on all interest-bearing loans and borrowings is 11.3% (2023: 11.0%).

The directors consider that the carrying amount of bank borrowings approximates to their fair value.

Bank borrowings

(i) Terms of bank borrowings

The Group (via its wholly owned subsidiaries Volt Midco (CP) Limited and Cap10 4NetZero Bidco Limited) entered into an English law facilities agreement with certain funds managed by Pemberton Capital Advisors LLP (as the original lenders), National Westminster Bank Plc (as the RCF establishment lender), Kroll Agency Services Limited (as the agent), Kroll Trustee Services Limited (as security agent) and others (the "SFA"). During the year, the SFA was amended, restated and supplemented resulting in the "Facilities Agreement".

The Facilities Agreement provides for certain committed senior debt facilities:

- a term loan ("Facility B GBP");
- a term loan ("Facility B EUR");
- a term loan working capital bridge facility ("WCBF"); and
- a term loan "Acquisition/Capex Facility".

The Facilities Agreement includes the above but also provides for the following additional committed senior debt facilities:

- a term loan ("Facility B2 GBP");
- a term loan ("Facility B2 EUR");
- a term loan ("ACF GBP Facility");
- a term loan ("Additional Acquisition Facility");
- a super senior RCF; and
- a multi-account overdraft ("Ancillary Facility")

Interest on the term loans denominated in pounds sterling is calculated based on the sterling overnight index average ("SONIA") with a zero SONIA floor. The margin ratchets from 5.50% to 6.00% depending on the adjusted net leverage ratio. Interest on the term loans denominated in euros is calculated based on the euro interbank offered rate ("EURIBOR") with a zero EURIBOR floor. The margin ratchets from 5.25% to 5.75% depending on the adjusted net leverage ratio.

Interest on the RCF and Ancillary Facility is calculated based on SONIA and Natwest Base Rate, respectively. The margins on both facilities ratchet from 3.25% to 3.75% depending on the adjusted net leverage ratio. The RCF has a zero SONIA floor and the Ancillary Facility has a zero Natwest Base Rate floor.

Under the Facilities Agreement, all interest rates are capable of an additional maximum 10 basis points reduction if the Group demonstrates compliance with certain environmental, social and corporate governance criteria.

At 30 September 2024 and 2023, the Group's bank borrowings were secured by certain fixed and floating security which has been granted by members of the Group which are party to the Facilities Agreement as guarantors in respect of the bank borrowings.

There are various restrictive undertakings contained in the Facilities Agreement that limit what actions the Group can undertake. Such restrictive undertakings are in place over items such as acquisitions, disposals, loans and indebtedness, negative pledges, guarantees, interest rate hedging, distributions and dividends. In addition, the Facilities Agreement sets out a number of other clauses detailing certain events or circumstances where non-compliance would mean the Group would be in default. These include financial covenants (covering a quarterly adjusted net leverage test, a super senior adjusted net leverage test and an annual capital expenditure test), payment default, misrepresentation, insolvency and failure to comply with the intercreditor agreement. The financial covenants benefit from conventional equity cure rights.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

(ii) Analysis of bank borrowings

A summary of drawn funds at 30 September 2024 and 2023 is as follows:

	Type	2024 £m	2023 £m
Facility B GBP	Term loan	76.0	76.0
Facility B2 GBP	Term loan	33.1	-
Facility B EUR ¹	Term loan	12.4	13.0
Facility B2 EUR ²	Term loan	16.6	-
WCBF	Term loan	15.0	15.0
Acquisition/Capex Facility	Term loan	20.0	-
Additional Acquisition Facility	Term loan	3.0	-
Total bank borrowings		176.1	104.0

¹ £14.9m was drawn under Facility B EUR which was equivalent to £12.4m (2023: £13.0m) based on the closing foreign exchange rate of 1.2021 at 30 September 2024 (30 September 2023: 1.1528).

² £20.0m was drawn under Facility B2 EUR on 28 June 2024 which was equivalent to £16.9m at the foreign exchange rate of 1.1807 prevailing at that date. Based on the closing foreign exchange rate of 1.2021 at 30 September 2024, this was equivalent to £16.6m at the balance sheet date.

The Facilities Agreement provided the option for establishing an amount of "Additional Facilities" which the Group established and committed to on 28 June 2024 via three term loans (together the Additional Facility totalling £63.0m): Facility B2 GBP, Facility B2 EUR and ACF GBP Facility. £50.0m of the Additional Facility was drawn on 28 June 2024 with £13.0m remaining undrawn at 30 September 2024.

At 30 September 2023, the £20.0m Acquisition/Capex Facility (which constitutes an Additional Facility) was undrawn but was available to be drawn by any Group entity which has acceded as a borrower under the Facilities Agreement. On 8 April 2024, the Group borrowed this amount in full. Also on 8 April 2024, the Group established a £20.0m Additional Acquisition Facility of which £3.0m was drawn at 30 September 2024.

Under the terms of the Facilities Agreement, on 13 October 2023 a £15.0m RCF was established with National Westminster Bank plc ("Natwest"). On 8 April 2024, the RCF was increased by £8.0m to £23.0m. On 22 April 2024, the Ancillary Facility was established with a £10.0m gross limit and a £5.0m net limit. The £5.0m net overdraft is a part of the overall £23.0m RCF (i.e. the RCF is £18.0m excluding the £5.0m net overdraft limit).

During the year, the Group incurred fees of £3.8m (2023: £3.9m) due in relation to the Facilities Agreement which were initially capitalised and are deducted from the amount of gross borrowings. The fees are being amortised through the consolidated statement of comprehensive income over the term of the borrowings using the effective interest rate method (2024: £0.9m; 2023: £0.1m). In the year to 30 September 2024, £3.9m (2023: £3.3m) of these fees were paid with £0.6m unpaid (2023: £0.6m which were all paid during the current year). All of the unpaid amount at 30 September 2024 will be settled in the year ended 30 September 2025.

(iii) Repayment profiles of bank borrowings

All term loans (30 September 2024: £176.1m; 30 September 2023: £104.0m) are repayable on 20 July 2030.

(iv) Adjusted net leverage ratios

The adjusted net leverage ratio and the super senior adjusted net leverage ratio are the ratio of adjusted net debt (on the last day of the relevant period) to proforma adjusted EBITDA in respect of that relevant period. During the year, the Group's adjusted net leverage ratios were reset to reflect the increase to the size of overall Facilities Agreement and the projected growth in proforma adjusted EBITDA.

The maximum permitted adjusted net leverage ratio for the year ended 30 September 2024 was 4.75:1. The maximum permitted super senior adjusted net leverage ratio for the year ended 30 September 2024 was 5.47:1. The Group's adjusted net leverage ratio for the year ended 30 September 2024 was 3.06:1 based on a proforma adjusted EBITDA of £51.0m (as set out on page 7 of the Strategic Report) and adjusted net debt of £156.3m (see Note 27).

(v) Interest rate hedging

On 24 September 2024, the Group entered into an interest rate swap with a notional amount of £147.1m with a termination date of 20 October 2026. Under the terms of the instrument, the Group pays fixed interest at 3.97% and receives floating interest with reference to SONIA.

On 3 October 2024, the Group entered into an interest rate swap with a notional amount of €34.9m with a termination date of 20 October 2026. Under the terms of the instrument, the Group pays fixed interest at 2.38% and receives floating interest with reference to EURIBOR.

On 20 October 2023, the Group entered into a 6.50% per annum interest rate cap with a notional amount of £91.0m with a termination date of 20 October 2025.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

25. Other borrowings

	2024 £m	2023 £m
Shareholder loan notes	13.3	29.7
Interest on shareholder loan notes	1.7	0.7
A1 preference shares	22.8	26.4
Interest on A1 preference shares	3.0	0.6
Recourse factoring liabilities	1.7	-
Total	42.5	57.4

Shown in the consolidated balance sheet as:

	2024 £m	2023 £m
Current	1.7	-
Non-current	40.8	57.4
Total	42.5	57.4

The carrying amounts of the Group's other borrowings are denominated in pound sterling.

Shareholder loan notes: On 19 July 2024, the Group issued £53.8m of unsecured 12.0% fixed rate loan notes to its shareholders. On 19 September 2023, the Group capitalised £13.5m of shareholder loan notes, converting the amount to A1 preference shares (see below). On 19 September 2023, £10.6m of shareholder loan notes were repaid, resulting in a closing balance at 30 September 2023 of £29.7m.

On 16 November 2023, £9.2m of shareholder loan notes were repaid. On 12 July 2024, £8.2m of shareholder loan notes were repaid as part of the capital redemption (see Note 31 for further details). Interest of £1.0m was capitalised into the shareholder loan notes principal on 1 January 2024.

A1 preference shares: These instruments are intended to rank *pari passu* with the shareholder loan notes (including in respect of repayment requirements) and, as such, have been classified as a liability within the consolidated balance sheet. As noted above, on 19 September 2023, the Company capitalised £13.5m of shareholder loan notes, issuing 13,496,000 A1 preference shares for total consideration of £13.5m. On the same day, the Company issued 12,902,770 A1 preference shares for total consideration of £12.9m. At 30 September 2023, A1 preference shares totalled £26.4m.

On 16 November 2023, the Company issued 9,216,840 A1 preference shares for total consideration of £9.2m. On 12 July 2024, 14,391,312 A1 preference shares were redeemed for total consideration of £14.4m. During the year, £1.6m of accrued interest was capitalised. At 30 September 2024, A1 preference shares totalled £22.8m.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

26. Deferred consideration

The Group has liabilities in respect of deferred consideration payments as set out in the table below:

	Note	2024 £m	2023 £m
Opening balance		-	-
Additions	34	5.3	-
Acquisition-related employment costs accrued in the year		0.2	-
Interest unwind on deferred consideration	13	0.2	-
Balance at 30 September		5.7	-

Deferred consideration additions in the year related to the Duality acquisition (see Note 34). Acquisition-related employment costs are linked to the continued employment of certain employees. Total undiscounted cash flows of £7.2m are payable in 2026.

27. Net debt reconciliation

An analysis of net debt is presented below:

	Cash and cash equivalents £m	Bank borrowings £m	Unamortised debt issue costs £m	Other borrowings £m	Lease liabilities £m	Total £m
On incorporation (28 March 2023)	-	-	-	-	-	-
Net cash/(debt) acquired	7.6	-	-	-	(18.3)	(10.7)
Net cash disposed of	(0.5)	-	-	-	-	(0.5)
Other cash flows	10.2	(104.0)	3.3	(56.1)	1.8	(144.8)
Non-cash movements in debt issue costs	-	-	0.5	-	-	0.5
IFRS 16 movements	-	-	-	-	(3.3)	(3.3)
Interest and foreign exchange	-	-	-	(1.3)	-	(1.3)
At 30 September 2023	17.3	(104.0)	3.8	(57.4)	(19.8)	(160.1)
Net cash/(debt) acquired	3.3	(5.6)	-	-	(3.8)	(6.1)
Other cash flows	1.0	(67.3)	3.8	20.9	9.7	(31.9)
Non-cash movements in debt issue costs	-	-	(0.9)	-	-	(0.9)
IFRS 16 movements	-	-	-	-	(11.4)	(11.4)
Interest and foreign exchange	-	0.8	-	(6.0)	-	(5.2)
At 30 September 2024	21.6	(176.1)	6.7	(42.5)	(25.3)	(215.6)

Adjusted net debt includes cash and cash equivalents, bank borrowings (excluding unamortised debt issue costs), recourse factoring liabilities (within other borrowings) and any lease or hire purchase contracts which would have been treated as a finance lease prior to the implementation of IFRS16 *Leases* as set out in the table below:

	Note	2024 £m	2023 £m
Cash and cash equivalents		21.6	17.3
Bank borrowings	24	(176.1)	(104.0)
Recourse factoring liabilities	25	(1.7)	-
Hire purchase arrangements		(0.1)	-
Balance at 30 September		(156.3)	(86.7)

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

28. Provisions

	Note	Dilapidations £m	Legal and other £m	Total £m
On incorporation (28 March 2023)		-	-	-
Acquisition of businesses		0.5	1.4	1.9
Reversed in the period		(0.1)	-	(0.1)
Utilised in the period		-	(0.3)	(0.3)
At 30 September 2023		0.4	1.1	1.5
Acquisition of businesses	34	0.7	1.4	2.1
Recognised in the year		-	0.3	0.3
Reversed in the year		-	(0.1)	(0.1)
Utilised in the year		-	-	-
At 30 September 2024		1.1	2.7	3.8

Provisions have been analysed between current and non-current as per below:

	Dilapidations £m	Legal and other £m	Total £m
Current	-	0.8	0.8
Non-current	1.1	1.9	3.0
Total	1.1	2.7	3.8

Dilapidation provisions relate to property dilapidation obligations. These are expected to result in an outflow of economic benefit over the next one to six years.

Legal and other provisions primarily relate to potential contract settlement costs and other potential legal settlement costs. These are expected to result in an outflow of economic benefit over the next one to four years.

29. Deferred tax assets and liabilities

	Note	Amount relating to:				Total £m
		Unutilised losses £m	Short-term timing differences £m	Accelerated capital allowances £m	Acquired intangibles £m	
On incorporation (28 March 2023)		-	-	-	-	-
Acquisition of businesses		0.5	0.5	(0.4)	(22.2)	(21.6)
(Charge)/credit to income statement	14	(0.3)	-	(0.1)	0.5	0.1
At 30 September 2023		0.2	0.5	(0.5)	(21.7)	(21.5)
Acquisition of businesses	34	0.1	-	(0.3)	(4.3)	(4.5)
(Charge)/credit to income statement	14	(0.3)	0.7	(0.2)	9.4	9.6
At 30 September 2024		-	1.2	(1.0)	(16.6)	(16.4)

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2024	2023
Deferred tax assets	-	0.7
Deferred tax liabilities	(16.4)	(22.2)

Total deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so.

Deferred tax assets are recognised to the extent that the Group expects there to be sufficient future taxable profits against which the asset can be recovered. The carrying amount of deferred tax assets are reviewed at each balance sheet date. At 30 September 2024, the Group has no unrecognised deferred tax assets (30 September 2023: £nil).

The directors have performed a review at 30 September 2024 to identify temporary differences associated with the Group's joint venture interests for which deferred tax liabilities have not been recognised. Based on that review the directors are satisfied that no significant temporary differences of this nature exist.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

30. Lease liabilities

	Note	2024 £m	2023 £m
Opening balance		19.8	-
Acquisition of businesses	34	3.8	18.3
Additions		10.5	2.9
Repayments		(9.6)	(1.8)
Interest accrued	13	1.1	0.1
Modifications		0.5	0.5
Disposals		(0.8)	(0.2)
Balance at 30 September		25.3	19.8

Lease liabilities are shown in the consolidated balance sheet as:

	2024 £m	2023 £m
Current	9.3	6.7
Non-current	16.0	13.1
Total	25.3	19.8

31. Issued share capital

At 30 September 2024 the Company had seven classes of share capital. Issued share capital at 30 September is set out below. All of the issued share capital is fully paid unless otherwise stated.

	2024		2023	
	Number of shares	Value £	Number of shares	Value £
Issued share capital:				
A ordinary shares	3,127,596	31,276	3,127,596	31,276
B1 ordinary shares	20,800	208	-	-
B2 ordinary shares	96,156	962	-	-
C ordinary shares	363,005	3,630	-	-
A2 preference shares	37,747,456	377	63,341,946	633
B1 preference shares	473,354	5	-	-
B2 preference shares	2,095,823	21	-	-
Balance at 30 September	43,924,190	36,479	66,469,542	31,909

A ordinary shares: On 28 March 2023, upon incorporation the Company issued one A ordinary share of £0.01 nominal value per share for total consideration of £0.01. On 19 July 2023, the Company issued 2,999,999 ordinary shares of £0.01 nominal value per share for total consideration of £2,999,999. In aggregate, these transactions resulted in a nominal value of £30,000 being recorded in share capital and a credit to the share premium account of £2,970,000. On 28 September 2023, the Company issued 127,596 ordinary shares of £0.01 nominal value per share for total consideration of £127,596, resulting in a nominal value of £1,276 and a credit to the share premium account of £126,320. There were no movements during the year ended 30 September 2024. Given the terms related to the ordinary shares, they have been treated as equity instruments.

A2 preference shares: On 28 September 2023, the Company issued 63,341,946 A2 preference shares of £0.00001 nominal value per share for total consideration of £63,341,946, resulting in a nominal value of £633 being recorded in share capital and a credit to the share premium account of £63,341,313. During the current year, 25,594,490 A2 preference shares of £0.00001 nominal value were redeemed by the Company, resulting in a nominal value of £256 being debited to issued share capital and a debit to the share premium account of £25,594,234. In November 2023, the Company issued and subsequently redeemed 10,408,824 A2 preference shares of £0.00001 nominal value. The Company has an unconditional right to avoid repayment of the instruments, and they have therefore been classified as equity.

Other shares: As set out in Note 10, during the year the Group established a MIP for the benefit of certain senior directors and management. As part of this, three new classes of share were established: B1 ordinary shares, C ordinary shares and B1 preference shares. Also during the year, the Group established the B2 ordinary share and B2 preference share classes of share which were issued as part of the acquisition of Duality (see Note 34). A reconciliation of movements during the year of other shares is as follows:

	B1 ordinary £0.01 Number	B2 ordinary £0.01 Number	C ordinary £0.01 Number	B1 preference £0.00001 Number	B2 preference £0.00001 Number
Issuance of MIP shares	21,534	-	371,990	822,323	-
Issuance of Duality shares	-	96,156	-	-	3,516,887
MIP shares bought back	(734)	-	(8,985)	(28,016)	-
Capital redemption	-	-	-	(320,953)	(1,421,064)
Balance at 30 September 2024	20,800	96,156	363,005	473,354	2,095,823

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

The Company has also in issue A1 preference shares. As these instruments rank *pari passu* with shareholder loan notes the Group treats these as a liability within the consolidated balance sheet. See Note 25 for further details.

Voting

Each A, B1 and B2 ordinary share carries one vote per share and entitles its holder to receive notice of, attend and vote at any general meeting of the Company, and to receive a copy of and agree to a proposed written resolution. C ordinary shares and A2, B1 and B2 preference shares are non-voting and do not entitle their holders to receive notice of, attend and vote at any general meeting of the Company, nor to receive a copy of and agree to a proposed written resolution.

32. Guarantees and contingent liabilities

The Company and certain subsidiaries have, in the normal course of business, given guarantees and performance bonds relating to the Group's contracts totalling £2.2m (30 September 2023: £2.7m).

The Group has potential claims under clauses in the sale and purchase agreements (including working capital adjustments and warranties/indemnities) of legacy disposals made in August 2018. The purchaser of the businesses sold went into liquidation in December 2019. The Group has claims against the sold companies for amounts that exceed their best estimate of any amounts that may potentially be due to the liquidators. The directors are in continuing dialogue with all parties. Further details are not disclosed on the basis that such disclosure would be seriously prejudicial.

33. Financial instruments

Financial instruments comprise both financial assets and financial liabilities. The carrying value of these financial assets and liabilities are assumed to approximate their fair values. The principal financial assets of the Group comprise trade and other receivables and cash and cash equivalents. The principal financial liabilities of the Group comprise bank borrowings, other borrowings (comprising shareholder loan notes, A1 preference shares and non-recourse factoring liabilities), trade and other payables and derivative financial instruments.

Carrying amounts and fair values of financial assets and liabilities:

	2024 £m	2023 £m
Financial assets at amortised cost:		
Trade and other receivables (excluding prepayments)	67.3	72.0
Cash and cash equivalents	21.6	17.3
Total	88.9	89.3
Financial liabilities at amortised cost:		
Trade and other payables	(80.4)	(66.4)
Bank borrowings (excluding unamortised debt issue costs)	(176.1)	(104.0)
Other borrowings	(42.5)	(57.4)
Deferred consideration	(5.7)	-
Lease liabilities	(25.3)	(19.8)
Financial liabilities at fair value through profit or loss:		
Derivative financial instruments not designated in a cash flow hedging relationship	-	(0.1)
Total	(330.0)	(247.7)
Net financial liabilities	(241.1)	(158.4)

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

Financial instruments carried at fair value on the consolidated balance sheet comprise derivatives. The Group classifies these financial instruments using a fair value hierarchy that reflects the relative significance of both objective evidence and subjective judgements on the inputs used in making the fair value measurements:

- **Level 1:** financial instruments are valued using observable inputs that reflect unadjusted quoted market prices in an active market for identical instruments. An example of an item in this category is a widely traded equity instrument with a normal quoted market price.
- **Level 2:** financial instruments are valued using techniques based on observable inputs, either directly (i.e. market prices and rates) or indirectly (i.e. derived from market prices and rates). An example of an item in this category is a currency derivative, where forward exchange rates and yield curve data, which are observable in the market, are used to derive fair value.
- **Level 3:** financial instruments are valued using techniques involving significant unobservable inputs.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

Derivatives

All derivatives are classified as current on the face of the consolidated balance sheet. The table below analyses the carrying amount of derivatives and their contractual amounts, together with an analysis of derivatives by the level in the fair value hierarchy into which their fair value measurement method is categorised.

	Contractual/notional amounts	Level 2	Total
	£m	£m	£m
Foreign currency forward contracts	12.6	0.1	0.1
Total at 30 September 2023	12.6	0.1	0.1
Interest rate cap	91.0	-	-
Interest rate swaps	147.1	-	-
Total at 30 September 2024	238.1	-	-

Financial risk management

The Group's overall risk management programme seeks to minimise potential adverse effects on its financial performance and focuses on mitigation of the unpredictability of financial markets as they affect the Group. The main financial risks faced by the Group are:

- credit risk;
- market risk (which includes interest rate risk and foreign exchange risk); and
- liquidity risk.

The Group is not subject to any externally imposed capital requirements. The Board regularly reviews and agrees policies for managing each of these risks.

Credit risk: Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group does not enter into derivatives to manage its credit risk.

The maximum exposure to credit risk at the reporting date is represented by the carrying value of the financial assets in the consolidated balance sheet. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

There has been a minimal history of bad debts within the Group as the majority of its sales are to local government councils or housing trust partnerships and as a consequence the directors do not consider that the Group has a material exposure to credit risk.

Market risk: The Group's exposure to interest rate risk and foreign exchange risk is set out below:

Interest rate risk: As set out in Note 24, the Group is exposed to interest rate risk from its bank borrowings which has floating interest rates based on a margin above SONIA and EURIBOR. During the year ended 30 September 2024, the Group entered into two hedging instruments to manage the risk: a two-year £91.0m interest rate cap (capped at 6.50%) and a £147.1m interest rate swap which covers all drawn pounds sterling bank borrowings at year end. Interest rate hedging activities are monitored on a regular basis. At 30 September 2024 and 30 September 2023, the longest term of any debt held by the Group was until 2030.

Interest rate sensitivity analysis

A simultaneous 1% increase in the Group's variable interest rates in respect of its pounds sterling and euro cash and cash equivalents and bank borrowings at 30 September 2024 would result in a £1.5m decrease to the Group's profit before tax and a decrease of 1% would result in a £1.5m increase to the Group's profit before tax.

With reference to the £147.1m interest rate swap as noted above, a simultaneous 1% increase in the Group's variable interest rates in respect of its pounds sterling and euro cash and cash equivalents and bank borrowings at 30 September 2024 would result in a £0.1m decrease to the Group's profit before tax and a decrease of 1% would result in a £0.1m increase to the Group's profit before tax.

Foreign exchange risk: The Group is exposed to exchange rate fluctuations because it undertakes transactions denominated in foreign currency, namely euro-denominated bank borrowings (see Note 24). The Group is not exposed to foreign currency translation risk as all of its operations are based in the UK and all of its subsidiaries have respective functional currencies of pounds sterling.

The Group manages transaction foreign exchange exposures by undertaking foreign currency hedging using forward foreign exchange contracts as required.

Liquidity risk: Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group's policy on liquidity is to ensure that there are sufficient committed borrowing facilities to meet the Group's long to medium-term funding requirements and the covenants under the Facilities Agreement are not breached.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

34. Business combinations

Swale Heating Holdings Limited

On 1 December 2023, the Group acquired 100% of the issued share capital of Swale Heating Holdings Limited and its subsidiaries ("Swale") for a total cash consideration of £13.5m. Swale is a compliance and energy services provider based in the UK which is focused on delivering services to both social housing and private customers. For the ten months ended 30 September 2024, Swale contributed revenue of £35.6m and profit before tax of £1.8m to the Group.

Goodwill of £7.7m recorded on this acquisition is attributable to anticipated profitability arising from the efficiencies borne from integration into the existing Group and the assembled workforce. None of the goodwill recognised is expected to be deductible for tax purposes.

Duality Group Limited

On 8 April 2024, the Group acquired 100% of the issued share capital of Duality Group Limited and its subsidiaries ("Duality") for an initial cash consideration of £37.5m, share consideration of £6.8m comprising B2 ordinary shares and B2 preference shares (see Note 31) and deferred consideration of £5.3m. Duality is a compliance and energy services provider based in the UK that specialises in innovative energy solutions, with a core focus on the installation, service and maintenance of energy solutions for the residential and commercial sectors. For the six months ended 30 September 2024, Duality contributed revenue of £32.1m and profit before tax of £2.3m to the Group.

Goodwill of £33.9m recorded on this acquisition is attributable to anticipated profitability arising from efficiencies borne from integration into the existing Group and the assembled workforce. None of the goodwill recognised is expected to be deductible for tax purposes.

The following table summarises the provisional fair values of the assets acquired and liabilities assumed as part of these acquisitions.

	Note	Swale £m	Duality £m	Total £m
Other intangible assets	17	5.0	13.7	18.7
Property, plant and equipment	18	0.2	1.2	1.4
Right-of-use assets	19	2.1	2.3	4.4
Inventories		1.6	0.9	2.5
Trade and other receivables		9.2	16.5	25.7
Cash and cash equivalents		1.2	2.1	3.3
Trade and other payables		(8.7)	(9.3)	(18.0)
Lease liabilities	30	(2.1)	(1.7)	(3.8)
Provisions	28	(0.6)	(1.5)	(2.1)
Other borrowings		(1.0)	(4.6)	(5.6)
Tax:		-	-	-
- Current tax liabilities		-	(0.5)	(0.5)
- Deferred tax assets	29	0.1	-	0.1
- Deferred tax liabilities	29	(1.2)	(3.4)	(4.6)
Total identifiable net assets at fair value		5.8	15.7	21.5
Initial cash consideration		13.5	37.5	51.0
Share consideration		-	6.8	6.8
Deferred consideration payable in 2026	26	-	5.3	5.3
Total consideration		13.5	49.6	63.1
Goodwill on acquisition	16	7.7	33.9	41.6

Within trade and other receivables are gross trade receivables of £14.9m and an expected credit loss provision of £0.1m.

Pre-acquisition book values were the same as recognised provisional fair values on acquisition apart from £17.0m of acquired intangibles in respect of customer relationships, tradenames, and customer contracts (see below for further details), and a £4.3m related deferred tax liability.

The net cash outflow in the current year arising from this acquisition was £47.7m, made up of:

	£m
Cash consideration	51.0
Less: cash and cash equivalents acquired	(3.3)
Total net cash outflow	47.7

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

Transaction costs amounted to £2.9m and have been charged to the consolidated statement of comprehensive income within non-trading items (see Note 12 for further details) and are included in operating activities within the consolidated cashflow statement.

The below explains the nature of the acquired intangibles, their respective useful economic lives and the valuation technique used in determining their respective fair values.

Customer relationships: Customer relationships relate to long-standing relationships the entities have with social housing associations and local authorities. Duality's existing customer relationships were valued using the excess earnings approach in accordance with IFRS 3 *Business Combinations*. The value of the customer relationships were calculated as the sum of the present value of projected cash flow, in excess of returns on contributory assets over the life of the relationship. Customer relationships are being amortised over six years.

Tradenames: Management have utilised the royalty savings (relief-from-royalty) method in valuing the entities' tradenames in accordance with IFRS 3 *Business Combinations*. Under the relief from royalty method, it is assumed that a company, without a similar asset, would license the right to use the marketing-related intangible asset and pay a royalty related to turnover achieved. Tradenames are being amortised over one year on the basis that the businesses will integrate under the Sureserve brand.

Customer contracts: The entities' existing customer contracts were valued using the excess earnings approach in accordance with IFRS 3 *Business Combinations*. The value of the customer contracts were calculated as the sum of the present value of projected cash flow, in excess of returns on contributory assets over the life of the contract. Customer contracts are being amortised over four to eight years.

Results of business combinations during the year

If the acquisitions had occurred on 1 October 2023, management estimates that consolidated revenue would have been £503.4m, and consolidated loss before tax for the year would have been £31.5m. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisitions had occurred on 1 October 2023.

Prior year acquisitions

The details of the prior year acquisitions are set out in the 2023 Annual Report and Financial Statements.

35. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note.

Trading transactions

The Group's subsidiary, Sureserve Energy Services UK Limited (formerly Everwarm Limited), provides services to Warmworks Scotland LLP, a joint venture with Changeworks Resources for Life and Energy Saving Trust Enterprises Limited. £17.9m of services were provided in the year ended 30 September 2024 (period ended 30 September 2023: £19.9m). £5.2m was charged to Sureserve Energy Services UK Limited from Warmworks Scotland LLP for services provided in the year (period ended 30 September 2023: £0.5m). At 30 September 2024 Sureserve Energy Services UK Limited had a receivable owing from Warmworks amounting to £1.9m (30 September 2023: £1.6m) and a payable of £0.3m (30 September 2023: £18,000).

Remuneration of key management personnel

The remuneration of the key management personnel, three of whom are not current Company directors but are deemed as the people with control over the Group, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*. A loan of £0.2m was made to a director in the year in respect of MIP shares and remains outstanding at 30 September 2024 (30 September 2023: £nil). Two of the directors of the Company do not receive any employee benefits from the Group companies.

	2024 Number	2023 Number
Number of key management personnel	4	2

	Year ended 30 September 2024 £m	Period ended 30 September 2023 £m
Short-term employee benefits	1.5	0.2
Share-based payments	0.3	-
Total	1.8	0.2

As set out in Note 1, the Company is owned by Cap10 Partners Fund I SCSp and Volt Coinvest SCSp. Fabrice Nottin (founding partner of Cap10 Partners LLP) together with the key management personnel of the Group noted above, comprise the Executive Board which oversees and governs the activities of the Group.

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

36. Group entities

Subsidiary undertakings

Details of the Group's subsidiary undertakings at 30 September 2024 are provided below. All of the subsidiary undertakings are incorporated in England except where otherwise indicated, have ordinary shares and are 100% owned. Unless otherwise indicated, all of the below subsidiary undertakings are owned through intermediate holding companies. All of the below subsidiary undertakings have been consolidated in the consolidated financial statements under the acquisition method of accounting.

Name	Holding	Principal activity
Aaron Services Limited	100%	Compliance services
Bury Metering Services Limited	100%	Non-trading
Cap10 4Netzero Bidco Limited	100%	Financing company
CorEnergy Limited	100%	Sustainable energy services
Duality Group Limited	100%	Intermediate holding company
Duality Energy Leasing Limited	100%	Non-trading
Duality Smart Utilities Limited	100%	Non-trading
Dyson Distribution Limited	100%	Non-trading
Energy Academy Limited	100%	Provision of training services
Gas Call Services Limited†	100%	Compliance services
H2O Nationwide Limited	100%	Compliance services
Just Energy Solutions Limited	100%	Non-trading
Providor Limited	100%	Smart metering
Smart Metering Limited	100%	Non-trading
Sure Maintenance Limited	100%	Compliance services
Sureserve Asset Services Limited	100%	Non-trading
Sureserve Compliance Fire Limited (formerly Sureserve Fire and Electrical Limited)	100%	Compliance services
Sureserve Compliance Services Limited	100%	Intermediate holding company
Sureserve Compliance South Limited (formerly K&T Heating Services Limited)	100%	Compliance services
Sureserve Design and Build Limited	100%	Non-trading
Sureserve Energy Services North Limited (formerly Dyson Energy Services Limited)	100%	Sustainable energy services
Sureserve Energy Services Limited	100%	Intermediate holding company
Sureserve Energy Services UK Limited† (formerly Everwarm Limited)	100%	Sustainable energy services
Sureserve Group Limited	100%	Intermediate holding company
Sureserve Holdings Limited	100%	Intermediate holding company
Sureserve VGS Limited	100%	Intermediate holding company
Swale Heating Limited	100%	Compliance services
Swale Heating Holdings Limited	100%	Intermediate holding company
Vinshire Gas Services Limited	100%	Non-trading
Volt Holdco (CP) Limited‡	100%	Intermediate holding company
Volt Midco (CP) Limited	100%	Intermediate holding company
W.R.B. Gas (Contracts) Limited†	100%	Compliance services

† Incorporated in Scotland.

‡ Volt Holdco (CP) Limited is directly held by Volt Topco (CP) Limited.

Interests in joint ventures

Details of the Group's interests in joint ventures at 30 September 2024 are provided below.

Name	Country of incorporation	Holding	Principal activity
Warmworks Scotland LLP	Scotland	33%	Energy and insulation services
Arbed am Byth	Wales	50%	Energy and insulation services

VOLT TOPCO (CP) LIMITED

Notes to the consolidated financial statements (continued) for the year ended 30 September 2024

37. Subsidiaries taking the audit exemption via parental guarantee

The entities listed below are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 479A. Volt Topco (CP) Limited has given a parental guarantee for all entities listed below under section 479C of the Companies Act 2006.

Name	Registered number
Just Energy Solutions Limited	07591127
Sureserve Asset Services Limited	14843644
Sureserve Compliance Services Limited	09790918
Sureserve Energy Services Limited	09790912
Sureserve Holdings Limited	04659062
Sureserve VGS Limited	09829080
Swale Heating Holdings Limited	13086502
Vinshire Gas Services Limited	12557988
W.R.B. Gas (Contracts) Limited	SC153084

38. Events after the balance sheet date

On 29 October 2024, the Group acquired 100% of the issued share capital Low Carbon Exchange Limited for £26.0m on a cash- and debt-free basis.

VOLT TOPCO (CP) LIMITED

Company balance sheet at 30 September 2024

	Note	2024 £m	2023 £m
Non-current assets			
Investment in subsidiaries	41	3.0	3.0
Trade and other receivables	42	78.2	91.4
Total non-current assets		81.2	94.4
Total assets		81.2	94.4
Current liabilities			
Trade and other payables	43	(0.4)	(0.5)
Total current liabilities		(0.4)	(0.5)
Non-current liabilities			
Trade and other payables	44	(25.8)	(27.0)
Total non-current liabilities		(25.8)	(27.0)
Total liabilities		(26.2)	(27.5)
Net assets		55.0	66.9
Equity			
Ordinary share capital	45	-	-
Preference share capital	45	-	-
Share premium account	45	47.1	66.4
Profit and loss account		7.9	0.5
Total equity attributable to equity shareholders		55.0	66.9

As a consolidated statement of comprehensive income is published, a separate statement of comprehensive income for the Company is omitted by virtue of the exemption available in section 408 of the Companies Act 2006. The Company's profit and total comprehensive income for the period was £7.4m (period ending 30 September 2023: £0.5m).

The financial statements of Volt Topco (CP) Limited were approved by the Board of Directors on 20 December 2024 and were signed on its behalf by:

Spencer Sheridan *S Sheridan*
Director

The accompanying Notes on pages 57 to 59 form part of these financial statements.

VOLT TOPCO (CP) LIMITED

Company statement of changes in equity for the year ending 30 September 2024

	Ordinary share capital £m	Preference share capital £m	Share premium account £m	Profit and loss account £m	Total equity attributable to equity shareholders £m
Balance on incorporation (28 March 2023)	-	-	-	-	-
Comprehensive profit for the period	-	-	-	0.5	0.5
<i>Transactions with owners</i>					
Issue of ordinary share capital	-	-	3.1	-	3.1
Issue of preference share capital	-	-	63.3	-	63.3
Balance at 30 September 2023	-	-	66.4	0.5	66.9
Comprehensive profit for the year	-	-	-	7.4	7.4
<i>Transactions with owners</i>					
Issue of ordinary share capital	-	-	3.9	-	3.9
Issue of preference share capital	-	-	4.1	-	4.1
Capital redemption	-	-	(27.3)	-	(27.3)
Balance at 30 September 2024	-	-	47.1	7.9	55.0

The accompanying Notes on pages 57 to 59 form part of these financial statements.

VOLT TOPCO (CP) LIMITED

Notes to the Company financial statements for the year ended 30 September 2024

The following Notes 39 to 45 relate to the Company-only position for year ended 30 September 2024.

39. Accounting policies

Statement of compliance and basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under Financial Reporting Standard ("FRS") 100 *Application of Financial Reporting Requirements* issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in accordance with FRS 101 *Reduced Disclosure Framework* ("FRS101"), as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that Standard in relation to financial instruments, capital management, presentation of a cash flow statement and certain related party transactions including remuneration of key management personnel.

Where required, equivalent disclosures are given in the consolidated financial statements.

The Company financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in Note 5 to the consolidated financial statements except as noted below.

Investment in subsidiaries

Investments in subsidiary undertakings are stated at cost less any provision for impairment.

Cost is defined as the consideration transferred and is measured at fair value. Fair value is calculated as the sum of the acquisition-date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquired company and the equity interest issued by the Company in exchange for control of the acquired company. Acquisition-related costs are capitalised into the cost of investment.

Impairment of investments

At each balance sheet date, the Company tests the carrying amounts of investments to determine whether those investments have suffered an impairment loss. The recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

VOLT TOPCO (CP) LIMITED

Notes to the Company financial statements (continued) for the year ended 30 September 2024

40. Critical accounting judgements and key sources of estimation uncertainty

Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually made and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates.

Impairment of investments

The Company reviews the valuation of all its investments for impairment annually or if events and changes in circumstances indicate that the carrying value may not be recoverable. The recoverable amount is determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows and the choice of a suitable discount rate in order to calculate the present value of these cash flows. See Note 16 of the consolidated financial statements for further information on impairment.

41. Investment in subsidiaries

	2024	2023
	£m	£m
Investment in Volt Holdco (CP) Limited	3.0	3.0
At 30 September	3.0	3.0

Further information is provided in Note 36 of the consolidated financial statements.

42. Trade and other receivables - due after more than one year

	2024	2023
	£m	£m
Amounts owed by Group undertakings	78.2	91.4
Total	78.2	91.4

Included within the above amount is interest receivable from Volt Holdco (CP) Limited of £2.1m (30 September 2023: £1.5m). Under the terms of the intercompany loan agreement, interest accrues at 12.0% and the loan is subordinate to the Group's shareholder loan notes in terms of rank and priority of payment. Also included within the above amount are loan notes receivable from Volt Holdco (CP) Limited of £6.8m (30 September 2023: nil), for which interest accrues at 3.0%.

43. Trade and other payables

	2024	2023
	£m	£m
Amounts owed to Group undertakings	0.4	0.5
Total	0.4	0.5

VOLT TOPCO (CP) LIMITED

Notes to the Company financial statements (continued) for the year ended 30 September 2024

44. Other borrowings

		2024 £m	2023 £m
A1 preference shares		22.8	26.4
Interest on A1 preference shares	13	3.0	0.6
Total other borrowings		25.8	27.0

A1 preference shares: These instruments are intended to rank *pari passu* with the shareholder loan notes (including in respect of repayment requirements) and, as such, have been classified as a liability within the Company balance sheet. On 19 September 2023, the Company capitalised £13.5m of shareholder loan notes, issuing 13,496,000 A1 preference shares for total consideration of £13.5m. On the same day, the Company issued 12,902,770 A1 preference shares for total consideration of £12.9m. At 30 September 2023, A1 preference shares totalled £26.4m.

On 16 November 2023, the Company issued 9,216,840 A1 preference shares for total consideration of £9.2m. On 12 July 2024, 14,391,312 A1 preference shares were redeemed for total consideration of £14.4m. During the year, £1.6m of accrued interest was capitalised. At 30 September 2024, A1 preference shares totalled £22.8m.

Accrued interest on the A1 preference shares for the year ended 30 September 2024 of £3.0m (period ended 30 September 2023: £0.6m) is also included within other borrowings.

45. Issued share capital

Refer to Note 31 of the consolidated financial statements.