



● Mott MacDonald Limited

REPORT AND FINANCIAL STATEMENTS

31 December
2025

Mott MacDonald Limited

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Strategic report

Cathy Travers, Managing Director – welcome

As the Managing Director of Mott MacDonald Limited, it is my pleasure to present our 2025 annual report.

The past year has seen us firmly respond with agility to cooling market conditions and the persistence of a complex operating environment.

Importantly, we have taken great strides in modernising our business over the last 12 months that position us well for future growth, particularly when market conditions improve.

In April, we announced that we were enhancing our employee-ownership model in our parent company, Mott MacDonald Group Limited, with improvements designed to empower our colleagues and foster a culture of shared success and collaboration. Our employee ownership is central to who we are and for further details of these improvements please refer to page 12 of the strategic report.

We have also accelerated our digital ambition – especially in the realm of responsible AI. This includes investing in partnerships with key technology providers and launching our own generative AI assistant ‘Every Mott MacDonald Answer’ – known as EMMA – which is part of a concerted effort to democratise AI for our employees.

During 2025, we strengthened our contribution to some of the UK’s most complex and transformative infrastructure programmes. This work includes advancing long-term aviation expansion at Heathrow and overseeing the completion of 23 miles of deep tunnelling on High Speed 2. We continue to play an essential role in the UK’s energy transition, working closely with National Grid and supporting upgrades across the UK’s water companies through our appointments to the latest asset management frameworks. These projects and others mean that our teams have been at the heart of delivering nationally-significant projects that will shape the mobility, connectivity and economic resilience for generations.

We have also been trusted to take on many interesting and challenging projects over the course of 2025 that have expanded our involvement in infrastructure renewal and regeneration. We were appointed to the Ministry of Justice’s Future Prisons Programme which is contributing to vital upgrades across the custodial estate. We also secured work with National Highways and Places for London as both organisations seek to unlock long-term social and economic value from their assets.

Across the rail sector, our long history and trusted expertise continue to underpin progress, with new roles secured on developing the business cases for the Clyde Metro, Northern Powerhouse Rail and East West Rail. These programmes reflect the breadth of our capability and our commitment to improving journeys, increasing capacity and supporting low-carbon transport solutions.

Other new appointments included Welsh Government’s A483 Scheme and places on frameworks for Transport for Greater Manchester, Crown Commercial Services, NHS Wales and the Department for Energy Security and Net Zero. Each of these demonstrate the continued trust our clients place in us to help deliver sustainable, future-ready infrastructure across the UK.

We also reached several notable milestones on projects in 2025. These include contributing to world-first design guidelines for elite women’s stadiums and supporting Oxford United’s all-electric new stadium through planning approval. In Northern Ireland, we celebrated opening of a £25m extension to Belfast International Airport. For defence clients, we delivered a number of major infrastructure upgrades, including at RAF Leuchars, and completed the first tranche of a £350m scheme to prepare RAF Lakenheath for the F-35 aircraft.

Thank you for your continued support and trust in our business. Together, we will continue to achieve great things and make a lasting impact with our clients and the communities they serve.

Strategic report

Corporate responsibility

Our corporate responsibility efforts are in alignment with our company's purpose of using 'our expertise for the benefit of our clients and the communities they serve', our Group Sustainability Policy Statement¹ and Code of Conduct – Our Code² – which together reflect our values and commitments as a business to operate ethically, responsibly and intentionally across the globe.

These values and priorities are managed at the highest level of the company, with the Executive Board having overall accountability for setting our commitments and ensuring these are delivered upon. These are demonstrated by how we consider and mitigate environmental impacts, embed carbon management into project design and delivery, and make social investments in our communities.

Mott MacDonald Limited is a subsidiary undertaking of Mott MacDonald Group Limited (MMG). MMG and all of its subsidiary undertakings are collectively referred to as 'the Group'. A detailed overview of the Group's corporate governance arrangements is provided on pages 18 to 28.

The commentary on corporate responsibility reflects the Group's activity of which Mott MacDonald Limited is approximately 45% by revenue and headcount.

For our clients

With technical excellence and subject matter expertise at the core of our business, we are able to offer innovative and high-quality solutions to our clients. Through steady investments in training, knowledge sharing and capacity building, we can respond to their needs of having climate and environmental resilience embedded as part of project delivery.

In our projects and operations

We assess and mitigate risks on our projects and within our operations. These assessments examine key areas of our business such as our supply chain, health and safety, ethics and environmental impacts.

Our business management system, which includes our ISO 14001 certified Environmental Management System (EMS), provides the framework for us to monitor office efficiency, energy consumption, waste and greenhouse gas (GHG) emissions. The steps we are taking to address climate-related impacts and risks are detailed in the climate disclosures section on pages 4 and 5.

We are also committed to not being complicit regarding any element of modern slavery within our business and supply chain. As such, we continue to enhance due diligence related to our procurement process, further embedding sustainability considerations. It is important to us to work with suppliers whose values and commitment to fair and legal employment practices are aligned with our own. We also train our staff on ways to identify and report modern slavery and forced labour. We respond promptly and appropriately to any raised concerns.

For our people

We remain committed to an inclusive and equitable workplace. We understand that a diversity of backgrounds, thoughts and lived experiences better positions us to meet the needs of our clients and communities. Our recruitment efforts remain focused on building a workforce reflective of the communities we serve and ensuring that our people have fair access to opportunities for professional development and career advancement. Our updated Global Inclusion Plan details our progress since the release of Everyone's Business in 2022.

¹ mottmac.com/en-gb/about-us/governance-and-policies/policies/sustainability/

² mottmac.com/en-gb/about-us/purpose-and-values/our-values/

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In 2025, we also released Our People Commitments³, which details our efforts to enhance the professional and personal experiences of our people. We believe everyone should have a work environment where they feel a sense of belonging and are able to thrive. We also provide training and tools to our leaders and people managers to support them, as they support our teams across the globe.

We continue to utilise a wellbeing risk assessment tool, verified against ISO 45003: Managing Psychological Health & Safety in the Workplace, which empowers our people to report and address wellness concerns. For us, wellbeing means creating a work environment where our people have physical and psychological safety.

For our communities

Our commitment to making positive contributions in our communities, beyond the delivery of our projects, has not wavered. With direction and support from the Executive Board, we launched a focused effort to refresh our approach in delivering sustained and transformational community programming.

We recognise the value our strategic community investments have brought to the lives of the people and partner organisations we have supported over the years. Donating time and talent through literacy programmes, school renovations and public space rehabilitation have been some of the ways we have invested in our local communities. Through our programmes, we have also introduced young people to engineering and engineering-related professions in a meaningful way, and in the hope that they will see themselves as part of our organisation in the future.

During this refresh, we continued to support our communities via educational, environmental and workforce development programming and worked to embed community investment governance in our business management system.

Climate disclosures

Streamlined energy and carbon reporting (SECR)

The 2025 report and financial statements for Mott MacDonald Group Limited (MMG) provides a full statement of carbon and energy performance prepared in compliance with SECR. With multiple subsidiaries in scope, the statement covers the global GHG emissions and efficiency actions undertaken across the Group. A summary of energy use driving the reported GHG emissions for Mott MacDonald Limited (MML) is reported below for information, however the reader is advised to refer to the Group statement for further details, including reduction initiatives.

The reporting boundary of the information disclosed in table 1 is constrained to our UK business, which is comprised of the UK offices of MML. Our inventory methodology aligns with the GHG Protocol Corporate Accounting and Reporting Standard, however for the purpose of SECR we only report on scope 1 and 2 emissions alongside scope 3 business travel emissions from hire vehicles. For a full emissions inventory, refer to the Group statement.

Emissions are measured in tonnes of carbon dioxide equivalent (tCO₂e), using the most recent conversion factors such as from the UK Department for Energy Security and Net Zero. Our methodology is documented within detailed statements for each emission source and these method statements are used to support the verification of our carbon footprint to ISO 14064.

Note: As a result of improved data quality and calculation methodology, the data displayed may differ to what has been reported in previous years. To compare emissions progress on an annual basis, each year has been recalculated using a consistent footprint methodology.

³ mottmac.com/en-gb/about-us/governance-and-policies/policies/people/

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Table 1: MML (UK engineering, management & development consultancy business) for the purposes of SECR reporting

	2025	Quantity (MML) 2024	2019 – Baseline
Total energy consumption (kWh)	10,643,246	12,672,951	20,634,758
Office energy: electricity and gas (kWh)	4,257,808	6,507,236	11,502,063
Business travel: car (kWh)	6,385,438	6,165,715	9,132,695
Total in-scope GHG emissions (tCO₂e)	2,135	2,317	4,472
Scope 1: Office gas and fugitive emissions (tCO ₂ e)	201	418	1,076
Scope 2: Market-based electricity (tCO ₂ e)	110	106	892
Scope 3: Business travel – car (tCO ₂ e)	1,824	1,793	2,504
GHG emissions intensity (tCO₂e/employee)	0.27	0.30	0.78
<i>Outside of scopes: biogenic emissions (tCO₂e)</i>	25	86	–

Climate-related financial disclosures

GHG emissions constitute the key performance indicator used to assess progress against our identified climate-related risks and opportunities. As the Group falls in scope of the UK Government's Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022, the full climate-related financial disclosure is included in the 2025 report and financial statements for MMG and describes our governance, strategy, risk management, metrics and targets in relation to climate change across the Group.

Business and financial review

Business environment

Geopolitical disruption and economic uncertainty continued to impact our business environment in 2025.

Public sector funding and private sector investment remained tight, reducing opportunities for growth in our key markets and delaying or cancelling the start of projects already secured.

The threat of a global recession receded during 2024 but in many economies low business confidence, negative market sentiment and economic uncertainty continued to depress market activity in the first half of 2025, before a slight uptick in volumes in the second half.

We do not expect much change in those market pressures in 2026. Organic growth is expected to be low across our markets, with volumes continuing to be depressed by pressures on private sector investment and public sector infrastructure budgets, against a backdrop of economic uncertainty and geopolitical disruptors impacting business confidence and depressing the level of infrastructure projects.

Business response

We have increasingly concentrated efforts on our target markets, with a selective focus on good-quality clients with good-quality projects in a positive business environment with more open and collaborative behaviours the norm; fair terms of business and good cash returns. Our reputation and core skills provide us with a competitive and appealing business opportunity for long-term growth with like-minded business partners.

We have withdrawn or reduced our presence in markets we now see as being unattractive or challenging where the margins, cash returns or terms of business make them unattractive, too expensive or uncertain to commit to, and of little benefit in the strategic outlook for the market.

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We have focused on improving our project profitability by being more selective on market, client and project type. However, on project profit improvement, there is more for us to do on efficiency and productivity, and we take that challenge into 2026. Overhead management was more challenging in 2025, given the uncertainty and unpredictability with volumes and the order book. This is also a focus for us in 2026.

Our overall strategy, together with our accelerated growth pathways, have helped us meet our clients' objectives and priorities, enabling them to deliver to their stakeholders. That success with our clients leads to longer-term business opportunity and enhances our reputation.

The one market where we cannot see long-term opportunity to achieve reasonable growth levels and generate reasonable profit and cash is the International Development business. Governments across the world have significantly reduced their overseas aid budgets to fund investment in infrastructure and social support programmes for health and education in less developed countries. It is challenging to see that government funding return to any meaningful investment level soon. Our International Development business was small compared to larger independent operators in the market. A decision was taken by the Executive Board in June 2025 to rationalise the business as new work opportunities had declined significantly, with little visibility of forward work. At this time, we are not looking to take on new work in this market.

Strategic review

During 2025, we have focused on embedding the priorities from the 2023 strategic review and the 2024 development of our accelerated growth pathways, to capitalise on their value and use them as strategic catalysts across the business. The strategic benefit of actively using those findings will enable us to build scale in key markets that provide us with growth and market diversity.

The S172 statement on pages 11 to 17 sets out some more detail of the initiatives we have taken on to improve resilience, strengthen governance and continue to build the quality of the underlying business. These provide solid support for business growth with clients who trust us to deliver on what we say we will do. They also provide effective outcomes for our staff, governance and controls.

Financial review

Revenue and operating profit

The financial metrics that are used to monitor business performance are revenue growth, operating profit growth and operating profit margin.

Gross revenue of £1,055m was 1.8% up on 2024. This was mostly organic growth with insignificant currency impact. The modest increase in gross revenue was partly down to inflation and partly market driven, with 2.7% of this growth across Europe (mainly the UK) partially offset by reductions in all other geographies, particularly the Americas.

Operating profit of £25.1m was 43% lower than 2024, with the operating margin down from 4.3% to 2.4%. The profit before tax margin was down from 8.2% to 5.3%. The reductions in operating profit and margins are mainly due to the impact of the new employee-ownership and reward model through increased participation in performance bonus pools, as well as lower utilisation and higher project losses.

Economic and political uncertainties continue to adversely impact volumes across our global markets with some large projects being deferred or cancelled.

The Executive Board is comfortable with the level of volumes and profitability, given the market pressures noted above and its response to them. The business continues to operate effectively and efficiently in challenging markets, and the Executive Board is confident that the long-term market fundamentals are resilient, with the business well placed to navigate its way through any challenges that the current markets present.

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The Group uses natural hedging as its main approach to currency management. The company's foreign exchange losses on trading at £2.3m were slightly lower than 2024 (£2.7m).

Non-operating income

Non-operating income of £35.0m (2024 – £42.9m) was from net interest received on intercompany balances, cash deposits and money market placements, dividends from subsidiaries, the research and development expenditure credit scheme and other finance income from pension accounting. The decrease is mostly due to reductions in research and development relief received in respect of previous years and recognised for the current year, as well as a reduction in net interest receivable mainly due to partial settlement of amount owed by parent undertaking, Mott MacDonald Group Limited. These were partially offset by increases in other components.

Provision for impairment of investments

Provision for impairment of £6.1m was made for remainder of the investment in the health part of the International Development business (£3.4m) where we are not currently looking to take on new work, with £2.7m related to three companies that are in the process of deregistration.

Workload

There continues to be focus on reviewing lead indicators of workload and the resources required to deliver it. The order book, win rates, prospects and staff utilisation are all reported to the Executive Board monthly. Utilisation was at the lower end of the normal operating range in 2025 given the challenging markets and uncertainty over project start dates. It remains challenging for management to address this issue due to uncertainties around timing of work and the need to retain talent and skills for project delivery. The business continued to carry out a process of selective staff redundancies during the year, to better balance resource with actual and projected workload levels.

Finally, we continued to add to our capability and efficiency during 2025 through special projects and strategic initiatives focused on driving productivity and value for the company and its stakeholders. This will accelerate during 2026, with continuing investment.

2026 markets

As we enter 2026, most of the businesses have reasonable visibility of their markets. The business is still facing uncertainty, with markets remaining slow and looking to have limited recovery in the short term. 2026 looks to be another challenging year ahead, with low-level organic growth and flat margins.

The Group's strategy for the consulting business, the discipline from its purpose and selective focus, and the development of its accelerated growth pathways are all providing insight and clarity on choice of markets, clients and projects.

Cash

Net funds¹ increased from £287m to £366m as the company continued its excellent progress in building cash to a reasonable level for improved resilience, investment in the business, and higher levels of free cash for strategic opportunities and initiatives in the market. Indeed over the past five years, the business has improved its net funds¹ position from £188m to £366m. We will continue to put focus on working capital in 2026 to further improve liquidity from operational efficiencies and better productivity.

Defined benefit pension scheme

A full actuarial valuation carried out at the end of April 2024 showed the scheme to be fully funded on a technical provisions basis. From 1 May 2024, no further deficit contributions were required to be paid by the company to the scheme for the foreseeable future.

At 31 December 2025, the surplus was £27.3m on a technical provisions basis (106.4% funded).

¹ including term deposits with original maturities over three months (see page 68 for composition)

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The FRS 102 pension scheme asset of £42m (see note 24 to the financial statements) has not been recognised in the financial statements as access to the surplus is not unconditional and is only with trustee agreement.

The corporate trust and their advisers are currently working together with the company on preparations for a decision anticipated in 2026/2027 as to whether it would be in the overall best interest of scheme members to secure liabilities and agree a company proposal (assuming circumstances remain financially attractive), to negotiate a buy-out arrangement with an insurer in 2028/2029. A necessary precursor to any decision by the company and subsequently the trustee is for the scheme to be fully funded. As at 31 December 2025, the scheme met this requirement – being funded on a solvency basis.

Bank facilities

The parent company, Mott MacDonald Group Limited, has a five-year multi-currency revolving credit facility of £125m in place with two banks until 22 December 2030, with an accordion of £50m in the main facility agreement to take capacity potentially up to £175m.

The company is able to borrow using this facility and is also a guarantor under a Group cross-guarantee arrangement. The parent company also has facilities in place for Group companies, like Mott MacDonald Limited, to use to provide tender bonds, performance bonds and advance payment bonds in the normal course of business.

Covenants

The covenants for the £125m credit facility assess the Group's debt and interest in relation to its earnings. These covenants have been comfortably met during 2025 as the Group has an insignificant amount of debt currently drawn down and a strong earnings position.

Covenants are reported to the banks four times a year within 60 days of each quarter end and 120 days of the year end.

At the time of signing the financial statements, the directors are of the view that the covenant position for the banks and pension scheme will not change significantly during 2026.

Dividend

The directors declared an interim dividend of £10.0m in December 2025 (2024 – £13.5m) and decided not to declare a final dividend.

Shareholders' equity

Shareholders' equity increased from £507.0m to £509.3m. The increase came from profit transferred to reserves of £44.2m largely offset by the impacts of cancellation of shares following a bonus issue of £30.0m and FRS 102 pension accounting in the statement of comprehensive income of £1.9m, and the dividend of £10.0m.

Going concern

The directors have a reasonable expectation that the Group and company have adequate resources to continue in operational existence for the foreseeable future. Details of the basis for this are outlined in the basis of preparation section on pages 42 and 43.

Tax governance

The company complies with all applicable tax laws and aligns its tax affairs with Our Code, the Group's Code of Conduct.

Tax policies are overseen by the Group Finance Director and regularly reviewed by the Group Head of Tax to ensure they remain compliant across all jurisdictions.

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Relationships with tax authorities

The company aims to provide timely and accurate reporting to tax authorities and adopts a non-aggressive approach to tax interpretation. Where uncertainty exists, the company engages openly with HMRC and other tax authorities to ensure certainty in its interpretation of local tax legislation, rulings and regulations.

Approach to tax risk

The company does not pursue aggressive tax planning. Commercial structures are designed to meet business needs while staying compliant. Risk management is supported by the Tax Risk Management Framework, compliance controls testing and staff guidance on legislation addressing the prevention of tax evasion or its facilitation.

Ethical approach

The company contributes significant tax revenues across the territories in which it and its branches operate, including corporation tax, payroll taxes, VAT and social security contributions. The company transacts with other entities within the Group on an arm's-length basis in accordance with the most recent OECD guidelines. The company maintains strong prevention measures to ensure reasonable procedures are in place to prevent the facilitation of tax evasion under the Criminal Finances Act and local laws.

Other items

The effective tax rate of 20.8% is 2.3% higher than December 2024. This increase is mainly due to a reduction in Group reliefs and an increase in expenses not deductible for tax purposes.

There are two key non-financial KPIs (key performance indicators) that we use to manage the business. Average annual sickness across the company increased from 38.9 to 40.3 hours per person. Voluntary staff turnover increased from 8.7% to 9.9%.

Managing risk and uncertainty

The Group's approach to risk management is set out below which is a framework for all business operations to follow in principle but to shape and tailor to their own requirements given the business environment, risks and control environment they work with.

Risk is inherent in our business and we recognise that to deliver our business strategy, we must maintain a careful balance between risk and reward to create the outcomes and value that we seek.

Our risk management framework

The Group's Enterprise Risk Management (ERM) framework enables a consistent, agile and robust approach to the management of risk across the business. It is embedded in the culture, strategy and business planning processes to safeguard our staff and assets, protect and enhance our reputation, and improve our overall performance. The process filters out the material risks that require focused management, monitoring and oversight to enable them to be effectively managed within the risk appetites and tolerances of the Group.

Governance

The Executive Board, Risk Committees and Audit and Risk Assurance Sub-committee comprise the Group's governance framework to manage our risks.

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The Executive Board holds overall accountability and responsibility for the Group's risk management. It delegates the oversight and day-to-day management of risk to the Risk Committee, which is responsible for the implementation of the risk management framework and for overseeing the effectiveness of the risk treatments applied across all regions and throughout the Group.

The regional risk committees report into the Risk Committee and are comprised of representatives from each of the regions. Quarterly reports on risks against risk appetite, emerging risks and the effectiveness of risk treatment plans are made by the regions to the Risk Committee. Emerging risks are identified and assessed on their proximity and degree of potential impact to the business.

Group principal risks

In recognition of the non-static nature of risks, the Risk Committee undertakes an annual comprehensive review of the material risks to the organisation. This review is informed by the regional risk committees' risk profiles, business intelligence, external factors and our assurance processes.

The Group completed its annual review of principal risks in 2025, making updates to both the identified risks and their management approaches. In July 2025, the Risk Committee defined six categories that include 21 principal risks, addressing both strategic and operational timeframes and managed at different levels throughout the organisation. These were subsequently developed and then adopted in November 2025 and will be reported upon in 2026.

The Group's risk treatment plans are regularly reviewed to ensure they reflect current actions and effective controls. These plans specify key controls, risk indicators and clear responsibilities for managing identified risks. They also serve as guidance documents outlining the nature of each risk, risk appetite, relevant metrics and accountability, and are integrated throughout the organisation via governance frameworks and the STEP process to ensure appropriate management of critical business risks.

The Group uses various reports and tools to support discussions with the Executive Board and Risk Committees. Strategic risks are reviewed and reported annually, while operational risks are monitored throughout the year and formally reported at each of the three risk committee meetings. The Group risk summary on page 69 presents the relative status of residual risks, monitored during 2025, after mitigation and highlights changes from the previous year.

Regional risk engagement

The Group's approach to risk management is modelled upon global standards and adopts The Three Lines Model.

The ERM team, led by the Chief Risk Officer, works closely with the first line – regions and their business units – to integrate risk management tools into commercial decision making and business planning. Regional risk frameworks containing tools and templates assist the regions in adopting standardised and consistent methodologies to assess and report their risks.

The second line – the risk management functions such as privacy and data protection, information security, ethics and compliance, and health, safety and wellbeing including all the Group enabling functions – work together to collaborate, align and develop policies and procedures to assist the regions and the Group to manage risks holistically.

The third line is a crucial piece of the risk management framework and is performed by the Group's internal auditors. The internal audit function provides assurance that the controls and treatments designed to manage the risks are as effective as intended. The audit programme comprises a blend of operational, IT and financial audits that are agreed annually using a risk-based approach and reported to the Risk Committee and Audit and Risk Assurance Sub-committee.

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The responsibility for tracking the open items rests with the Business Management Systems (BMS) auditors and the internal audit team, while the responsibility for their remediation and closure remains with the business. Internal audit reports are presented to the Risk Committee and Audit and Risk Assurance Sub-committee three times a year, highlighting deficiencies discovered, reporting on recommendations and the effectiveness of risk mitigation measures across the Group.

S172 Companies Act 2006 – directors’ duties to promote the long-term success of the company

This statement sets out how the directors have satisfied the expectations of S172 Companies Act 2006. The narrative is consistent with the size and complexity of the business covering matters of strategic significance. The disclosures are set out as S172 expects of the directors in promoting the success of the company.

The governance of the Group is managed and coordinated by the parent, Mott MacDonald Group Limited. The matters referred to below relate to those matters relevant to the agenda of the company’s directors.

The directors pursue success through strategic thinking and decision making that put the long-term success of the company and its stakeholders above short-term expediency. The Shareholders’ Committee provides oversight of the directors following these principles.

The principles are focused on maintaining a strong and sustainable business for those who follow in the business after us. This needs to be evident in the company’s reputation, its standing with clients and stakeholders, and its financial strength.

The likely consequences of any decisions in the long term

In pursuing growth, the strategic thinking and decision making of the directors and management embrace a wider social purpose. We seek to embed this thinking and the principles of corporate responsibility in all aspects of business.

The Group’s strategy is delivered by the capabilities we have in our core markets, the technical excellence that underpins them, a focus on our clients’ needs and the focus we have on social purpose and corporate responsibility.

During 2025, the Executive Board held its normal series of separate executive meetings throughout the year, as a Board and with the senior members of the regional executive teams, to maintain focus on the strategic direction of the Group and the development of its overall and regional strategies. The outcome from this is that we continue to evolve our strategy to keep it relevant and responsive to strategic changes across our markets and the competitive landscapes we operate in. It ensures our strategy is agile and responds to our clients’ needs and their strategies, their markets and their plans for growth to evolve their businesses.

At the start of 2025, our core business markets were modified to align with the evolution of our strategic market focus: Buildings, Defence & Security, Energy, Environment & Society, Transport and Water. Our clients and services in these markets are of the utmost importance to the Group.

Throughout 2025, we have continued to review specific areas of selective focus with the outcome of building capabilities, creating resilience and exploiting opportunities to respond to where our incumbency gives us the best opportunity to win in the market.

Alongside this we have continued to pursue a select number of pathways for accelerated growth which supplement our strong market focus.

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The outcome continues to be maintaining high investment in technical excellence and world-class technical leadership alongside more investment in applying our digital capabilities to projects and accelerating the responsible application of artificial intelligence (AI) across the business.

Employee ownership – securing our future together

In 2025, we took the important step of strengthening what makes us unique: our employee-ownership model. As an employee-owned business, our success has always depended on the engagement and shared commitment of our people.

The directors recognised that to deliver an outcome of long-term growth and independence, we needed to do more than offer a financial reward – we needed to reinforce a culture where every colleague feels respected, valued and invested in our future.

The refreshed approach to ownership was designed to make participation clearer and more inclusive so that everyone, regardless of role or location, has a transparent stake in the Group's success. We introduced an integrated reward system combining fixed pay, a personal performance bonus and a Group performance bonus.

Giving our employees a greater voice was also part of this initiative. To do that, we created new ways for colleagues to share ideas and shape decisions, from leadership engagement sessions and enhanced reporting, to a new voice sub-committee, which is in the process of being established, making sure this change reflected what matters most to our people.

Our new model has been well received and is delivering the intended outcome. Colleagues have told us they feel proud to belong to a company that invests in its people and values their voice in shaping the future. This sense of shared purpose is helping us attract and retain talent in a competitive market, deepen relationships with clients who value our independence and collaborative approach, and focus on delivering technical excellence.

By embedding these principles, we have reinforced the foundations of our business, keeping our people at the heart for generations to come. The strategy will continue to evolve, working with business leadership and all stakeholders to support our collective success.

Business relationships with suppliers, customers and others – technical excellence

Technical excellence remains integral to everything we do. In 2025, we embedded technical excellence even deeper into our culture, systems and ways of working.

This year, the Executive Board appointed a new Chief Technical Officer to revisit and evolve our technical strategy, support best practice and maintain Mott MacDonald's strong reputation for technical leadership.

Throughout 2025, our excellence programmes continued to equip our people with the knowledge, tools and support they need to thrive in a fast-evolving technical landscape. Guided by our Global Practice Leaders, our practices connected expertise across our regions, enabling consistent high standards and driving continuous improvement – resulting in exceptional outcomes for our clients.

During the year, our Knowledge team made an important shift in how technical expertise is managed. Combining the skills of expert curators with advanced technologies, they streamlined the discovery of technical knowledge – making it quicker, smarter and more accessible, which in turn drives efficiency, collaboration and innovation across all disciplines.

Our Chief Executive announced a third cohort of Mott MacDonald Fellows. Champions of technical excellence, our Fellows' world-class expertise and thought leadership not only influences the direction of our business but also plays a major role in ensuring we remain at the forefront of innovation.

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We believe that our unwavering dedication to technical excellence sets us apart in the industry, delivering an outcome that reinforces our reputation for delivering high-quality innovative solutions to complex global challenges, while adding value for our clients and the communities they serve.

Impact of the company's operations on the community and environment – climate

The corporate responsibility and climate disclosures sections on pages 3 to 5 set out our governance, strategy and performance reporting metrics. The outcomes being delivered are to lead with commitment and deliver with impact to ensure we have effective systems and controls, maintain best practice, and meet the expectations of internal and external stakeholders. Priorities and initiatives are set out below.

The Group has embedded sustainability as a core element of its governance and operating model. Our Group Sustainability Strategy sets clear priorities across climate, environment and social responsibility for our operations; supported and delivered by our regional leads reflecting local factors and circumstances. This framework strengthens oversight and accountability, ensuring sustainability considerations are integrated into decision making and client delivery.

During the year, we advanced several initiatives to improve controls and operational efficiency. These include the enhancements to carbon and environmental governance requirements and guidance through updated management systems, evidenced through our annual ISO 14001 and 14064 audits. Regional board reporting on carbon and engagement at the executive level has been established, driving carbon reduction behaviours and ensuring consistent oversight. We have continued to optimise and automate our carbon footprint solution to improve data quality; supporting compliance and informed decision making.

Our sustainability initiatives are cross cutting, bringing together our travel, procurement, premises and finance teams to embed sustainability across the business. Carbon reduction measures, including continued procurement of renewable energy in our offices, use of hydrotreated vegetable oil on our construction sites and strengthened international travel approvals, have helped reduce our emissions in the near term, with further improvements planned. Modern slavery statements have also been benchmarked and updated to maintain best practice.

Looking ahead, we are committed to transparent reporting, with our first dedicated Climate Transition Plan and Sustainability Report planned for publication. We are focused on delivering against our science-based targets, expanding our supplier engagement, embedding our supplier code of conduct and evolving our approach to corporate social responsibility. These actions, alongside improvements in data, governance and training, position the Group to meet evolving stakeholder expectations and regulatory requirements while enhancing client confidence and operational resilience.

Acting in the best interests of employees – creating a safe space – wellbeing and mental health

During 2025, we focused on better understanding the key risks to our employees and to our business in terms of health, safety and wellbeing. We produced a risk appetite statement categorising the activities and services, which are undertaken globally as part of our project delivery to clients. This assessment is divided into three categories:

- those which are firmly within appetite and are well controlled;
- those which are within our risk tolerance but require significant control; and
- those which are considered outside our risk appetite.

This exercise has resulted in greater clarity and consistency in how we approach and manage health and safety risks globally. We are now reviewing our existing controls to be confident in an outcome where risks are being eliminated, reduced and managed in line with our expected standards.

Strategic report

The results of this exercise have been shared with the Executive Board and regional boards, and the output is being used as part of a health, safety and wellbeing strategy refresh for 2026, involving the global health, safety and wellbeing team, as well as senior sponsors.

2025 has also been a year in which we have reviewed the direction and scope of our wellbeing programme. An external assessment of our cultural wellbeing maturity was undertaken, assessing the maturity of our wellbeing offering in each region. The results have been very positive, showing that although we have different levels of maturity across the regions, we have key strengths around advocacy, communication and leadership for wellbeing.

The second stage of the review will continue into 2026 and is focused on delivering an outcome of a wellbeing framework that enables a more consistent approach focused on our key work-related wellbeing risks.

Maintaining a progressive business with a high level of governance

During 2025, the Chief Governance Officer (CGO) in conjunction with the Group Heads of Internal Audit, Controls and Health and Safety have continued to evolve the effectiveness of our business infrastructure, specifically the need to remain abreast of statutory requirements, good business practice and a business architecture able to deliver our strategic objectives.

The initiatives undertaken through the year have continued to enhance our functional capabilities in internal audit, resilience and business controls, and health and safety, through focusing and streamlining of our systems and processes to deliver greater understanding and more effective and efficient action. This is being achieved through multi-year projects across the information security, data management, client centricity and enterprise-wide productivity domains.

We recognise that governance is an essential foundation for the future success of our business. The Executive Board, Risk Committee, Shareholders' Committee, and Audit and Risk Assurance Sub-committee consider the performance and appropriateness of our governance approach, and strategic evolution, periodically throughout the year.

Maintaining a reputation for high standards of business conduct

The Executive Board is committed to promoting the highest standards of ethical behaviour through its Ethics and Compliance programme. This delivers an outcome of the Group meeting regulatory requirements and stakeholder expectations in relation to management of our ethics and compliance risks. The key aspects of delivery are set out below.

In preparation for the introduction of the new Failure to Prevent Fraud offence, which came into effect during the year, the Group conducted fraud risk workshops with key personnel to identify fraud risk scenarios. A fraud risk register has now been developed to track our exposure to this risk alongside associated controls and mitigation plans to reduce it. The outcome from this will be an updated training module on ethics, including guidance on managing ethics around fraud, bribery, competition, conflicts of interest, and gifts and hospitality, that will be introduced for all Mott MacDonald employees. Our compliance efforts have been built around the reasonable procedures of risk assessment, proportionate procedures, top level commitment, due diligence, training and monitoring.

A key focus area for the Ethics and Compliance programme continues to be the management of political engagement, particularly in those jurisdictions with disclosure obligations. Enhancements have been made to our oversight of political engagement to manage compliance with applicable laws and regulations, and satisfy our reporting obligations.

Strategic report

We continue to enhance our existing policies and automated processes in areas such as due diligence, disclosure reporting and whistleblowing. Looking to the future, we are exploring what AI can contribute to our day-to-day work and what safeguards we need in place for that to align with our values and professional ethics, and comply with applicable laws and regulations.

The Executive Board continues to monitor and guide the Ethics and Compliance programme through regular meetings between the Ethics and Compliance Steering Group and the Group Ethics and Compliance Officer. The Board's role is vital to delivering an outcome of the highest standards of ethical conduct we expect from all who work for, and on behalf of, Mott MacDonald.

Business relationships with suppliers, customers and others – artificial intelligence

The corporate governance report on pages 26 to 28 sets out the directors' approach to regular engagement with our stakeholders that is supportive of informed decision making.

Use of digital and AI in developing and shaping how we work with clients, partners and stakeholders remains central to delivering strategy and creating long-term value. Innovation, productivity and governance underpin our approach as we continue to evolve our digital operating model.

In 2025, we embarked upon an accelerated digital transformation, embedding AI and advanced tools across our business services, project delivery and client engagement, together with forging deeper relationships with our key technology suppliers.

We designed and launched EMMA (Every Mott MacDonald Answer), our generative AI assistant, to deliver an outcome of streamlining knowledge sharing, automating routine tasks and providing instant access to best practice and technical expertise. In parallel, we have empowered more than 3,000 colleagues as citizen developers through our secure digital workspaces' platform, integrating guardrails for security, quality and responsible AI into the software development lifecycle.

To enhance client experience, we have introduced an AI-powered CRM (Customer Relationship Management) system, first deployed in North America, to achieve a new benchmark for global client engagement, providing integrated data, real-time insights and a consistent experience for clients worldwide, together with running TechConnect interactive client sessions that bring together our experts to tackle client challenges, showcase innovative solutions and demonstrate how digital tools deliver real value.

To enhance our project delivery, we have introduced a Digital Value Planning framework across major projects to systematically identify and deliver high-impact digital solutions, driving measurable improvements in efficiency, quality and commercial competitiveness.

AI is now embedded in project delivery solutions, including stakeholder management tools that process thousands of consultation responses in minutes and a chat-enabled carbon management tool, making low-carbon design optimisation accessible across our workforce.

These initiatives are supported by governance policies for responsible AI, ensuring data integrity and compliance while enabling innovation at scale. Through these actions, we have successfully delivered an outcome that is strengthening our competitive position, creating opportunities to co-innovate with clients and partners, and shaping the future of the built environment.

Maintaining a progressive business with an effective risk management strategy and risk management programme

In 2025, the Executive Board continued its commitment to an Enterprise Risk Management (ERM) programme founded on a clear maturity journey aligned to the ISO 31000 maturity model. Over the past four years, we have progressed to Level 3 – Repeatable, characterised by standardisation and consistency, and are now advancing towards Level 4 – Managed, where proactive risk management is fully integrated into strategy and operations.

Strategic report

This year, we enhanced the review of principal risks by introducing a two-tier structure:

- Strategic risks, aligned to long-term objectives and overseen at the Executive Board level; and
- Operational risks, managed within business units and regions for greater accountability.

Strategic alignment and risk appetite

The risk appetite framework was revised to correspond with the organisation's strategic objectives and growth pathways. This change is aimed at ensuring that the approach to risk aligns with the stated goals of the strategy.

Defined risk appetites for the business portfolio were established and integrated into the business planning process; helping to align growth strategies with acceptable risk thresholds. This approach offers a structured method for assessing growth plans in relation to risk appetite, supporting the alignment between risk tolerance and strategic objectives.

Risk awareness and capability building

To embed a risk culture, we convened a Risk Forum led by the Strategy Director and Chief Risk Officer, bringing together Unit General Managers and Regional Risk Committee Chairs. The forum focused on upskilling, sharing best practice and embedding risk thinking into decision making. Additionally, we introduced risk maturity assessments for each Risk Committee, enabling tailored plans to accelerate progress towards Level 4 maturity.

Technology enablement and proactive monitoring

This year, we advanced our risk management capability through two complementary technology platforms:

- Risk Management Software Platform – This system simplifies the risk assessment process, centralises and aggregates risk data, and enables improved analysis and reporting. By consolidating information across the Group, it provides a single source of truth for risk evaluation and supports consistent, standardised practices aligned with our maturity objectives; and
- Key Risk Indicator (KRI) Dashboard – A separate platform designed internally by our Global Delivery Services (GDS) to capture risk metrics for principal risks and monitor their status against defined risk appetites. The dashboard provides up-to-date visibility across regions and business units, enabling proactive intervention before exposures escalate and supporting resource optimisation. This innovation operationalises risk appetites and strengthens strategic decision making.

Our KRI dashboard has been shortlisted for four prestigious CIR Risk Management Awards, recognising the innovative use of technology to enhance risk management and oversight.

Preparedness and recovery – strengthening business continuity

Complementing proactive risk management, we strengthened our Business Continuity Programme – a critical component of resilience. Disruptions are increasingly variable and unpredictable, stretching traditional response models.

In 2025, we:

- initiated an annual schedule of cyber response exercises to improve preparedness among response teams;
- implemented a mass crisis notification system called MM Alerts that can be deployed in the event of a significant incident; and
- developed capability from the Group Executive level to operational teams, supporting readiness for critical events.

This dual approach – ERM for proactive detection and management, and Business Continuity for preparedness and recovery – provides the organisation with the tools and mechanisms to respond effectively to severe disruptions, safeguarding stakeholders and supporting long-term viability.

Strategic report

Forward-looking priorities for 2026

Looking ahead to 2026, the work plan in place and priorities to progress will strengthen governance, enhance resilience and ensure compliance with evolving regulatory expectations.

Looking forward

Geopolitical pressures and economic weakness reduced infrastructure investment and organic growth across our markets in 2025. The company has performed well to compete and win work, and the directors are pleased with the excellent results achieved given the challenging market conditions.

We ended the year with a strong balance sheet, a healthy net funds position and an order book that provides a good picture of our opportunities and challenges for workload in 2026.

The outlook for 2026 continues to look challenging, given the lead indicators for the markets we operate in. Geopolitical pressures look likely to continue, leading to a continuing need for agility and astute commercial judgement in growing the business.

We are confident that we can grow the business in 2026, helped by improved volumes and a focus on productivity and efficiency. At this stage, we see any growth as being foundational for improved trading in 2027.

We remain optimistic with the opportunities that digital, AI, energy and defence will bring to our business, and confident in our ability to compete and win work.

We have a strong business, a strong balance sheet and confidence in the longer-term prospects and opportunities for the business.

In the immediate future, we have the right strategy, the right focus and the right people to continue to take the business forward.

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



Cathy Travers, Managing Director
27 March 2026



Ed Roud, Finance Director
27 March 2026

Corporate governance report

Governance

Mott MacDonald Group Limited, the parent company, sets the governance framework for its subsidiaries to comply with when conducting business.

Some of that governance is designed and delivered through directives, processes and systems that are rolled out across the Group for use by the business operations in the Group's trading subsidiaries, like Mott MacDonald Limited.

The Executive Board of Mott MacDonald Group Limited has formally adopted a corporate governance framework for large private companies, appropriate for the size and purpose of the company. The Wates Principles are voluntary principles for large private companies that demonstrate an 'apply and explain' approach over six pillars of corporate governance:

1. Purpose and leadership
2. Board composition
3. Director responsibilities
4. Opportunity and risk
5. Remuneration
6. Stakeholder relationships and engagement

The arrangements are considered annually and updated as necessary as part of our normal review of procedures and processes and in considering our control environment and governance framework.

As a large private company and in line with Mott MacDonald Group Limited's direction, Mott MacDonald Limited is also following the Wates Principles as described in the Group's principles set out below:

Principle 1 – Purpose and leadership

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

We are one of the world's largest employee-owned companies. Belonging only to the colleagues who work for us, we have a shared purpose – to contribute positively to society through our projects, focusing on technical excellence and digital innovation to transform our clients' businesses, our communities and employee opportunities.

Our employee-ownership allows us to put the long-term interests of clients, employees, external stakeholders and employee shareholders above short-term expediency.

It also means that we are firmly guided by our purpose and our values. This enables us to keep taking the right decisions, for the right reasons. Our values of **Progress, Respect, Integrity, Drive** and **Excellence** (PRIDE) guide our behaviours, shape our culture, and inform our relationships with our clients, our stakeholders and each other. They are the platform from which we deliver our purpose and underpin our employee-ownership model.

Our Code (Delivering with PRIDE) sets out our standards and expectations on the issues that matter to us including respecting our people, conducting our business with integrity, protecting our assets and reputation, and delivering value to society. Our Code explains a number of individual responsibilities for each of us, such as doing our best for each other, our clients, communities and society. It also includes some additional expectations of leaders and managers including being positive role models for Our Code and PRIDE values.

Corporate governance report

We put into practice our values and demonstrate leadership through our actions and behaviours. These, together with health and safety and wellbeing, are embedded in how we conduct ourselves in running and managing the business and how we value our employees.

The reputation and future success of our business are built on integrity and trust. We provide training on ethical and compliance behaviour to all staff and enhanced training for staff most at risk of encountering ethical issues. Employees are encouraged to report any behaviours that are not in line with our values through their HR representatives, management or through our independent whistleblowing hotline. These are all investigated and then acted on where necessary.

We seek feedback from staff through a biennial survey which allows our leadership to monitor trends, gauge how well policies are being implemented and collect employee views. We put in place action plans to address common issues.

We seek feedback from our clients and wider stakeholders on our impact, behaviours and effectiveness. We have various forms of interactive communication channels and thought leadership to share ideas and opinions, promote knowledge and innovation, focus on social outcomes in our project delivery, and promote technical and professional excellence.

Principle 2 – Board composition

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

Board composition in 2025

The Group Executive Board comprised of:

James Harris – Group Chief Executive & Chair

Cathy Travers – Group Managing Director

Ian Galbraith – Group Strategy Director (resigned 30 September 2025)

Ed Roud – Group Finance Director

David Johnson – Group Development Director

Richard Risdon – General Manager of the UK and European Consulting Business/Group Strategy Director from 1 October 2025

Having been with the business for just over 20 years and having come to the end of his eight-year tenure on the Executive Board as a director, Ian retired at the end of September. He made a significant contribution in various parts of the business throughout his career and in his role as Group Strategy Director.

The directors have a broad range of skills and experience with differential as well as complementary skill sets. The blend of skills is a key feature in determining the Executive Board's effectiveness. Biographies can be found on the company's website (mottmac.com).

Appointments to the Executive Board follow a formal process. The Executive Board decides what components of the process to use, given the appointment. Applicants can be required to prepare a written submission, attend interviews, make presentations and respond to a formal set of questions.

The process also involves a scoring assessment of applicants' attributes and skills, based on their knowledge, skills and experience, using criteria that are reviewed from time to time to reflect changes in the external business environment and changes in the needs of the Executive Board.

The Executive Board's final decision on an appointment is then ratified by the Shareholders' Committee.

Corporate governance report

Diversity

The Executive Board is committed to diversity and is taking steps to improve practices and processes across the Group. Significant progress on gender has already been made across the business up to senior management and leadership positions. Our approach is being developed to deliver a sustainable model for diversity of representation in key senior positions up to and including Executive Board and Shareholders' Committee level, the latter already having a broad range of nationalities, cultures and gender. At Shareholders' Committee level, seven out of 19 members are women and nine are based outside of the United Kingdom.

The Executive Board is diverse in terms of knowledge, skills, experience and age. One of the six Executive Board members during 2025 is a woman. We recognise the Executive Board's lack of racial diversity. Changes in our own corporate culture, as well as in the wider industry, are slowly improving the retention and career progression of a more diverse workforce. The Group Board recognises its role in improving opportunities and outcomes for all staff within Mott MacDonald, and in leading change in the markets within which it operates.

Board composition in 2026

The Executive Board now has six directors again following the appointment of Paul Bentley in January 2026. Paul will retain his role as General Manager of the UK Contracting Business as well as being a Group Executive Board director. The roles of the other directors and the board of Mott MacDonald Limited are unchanged from the end of 2025.

Principle 3 – Director responsibilities

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

As with principle 2 above, the governance structure reflects the governance in place for the Executive Board of the parent company who carry out roles and responsibilities as directors of the parent company and certain material trading subsidiaries, of which Mott MacDonald Limited is one.

Accountability and effective decision making

The Group Chief Executive is responsible for leading the Executive Board, ensuring that it discharges its duties efficiently and that it delivers the strategy agreed by the Executive Board. The Group Managing Director is responsible for directing and controlling operations, managing the day-to-day business, and ensuring it is aligned to the strategy. This distinction in the respective roles of the Group Chief Executive (strategy) and Group Managing Director (business operations) is key to governance and accountability.

Significant decisions are generally made by reaching a consensus of the Executive Board. Some decisions require the approval of the Shareholders' Committee, as documented in the company's Articles of Association. There is a protocol for voting at board meetings and by the Shareholders' Committee, where voting is required on matters of strategic importance.

Information and advice

The Executive Board and its committees are provided with information in a timely manner on matters that are to be considered at board and committee meetings. Directors have access to the advice of the Group General Counsel who, in his capacity as Company Secretary of Mott MacDonald Group Limited, is responsible for advising the Executive Board on all governance matters and ensuring that board procedures are complied with. Directors can seek independent advice on the performance of their duties if necessary.

Corporate governance report

The Executive Board also receives assurances from various in-house technical specialists that the company's financial reporting, risk management, governance and internal control processes, including policies mandating procedural requirements and standards, are operating effectively. It is the Executive Board's responsibility to make sure that this assurance is delivered and that the means to deliver it is adequately resourced and effectively managed.

Discharging responsibilities

The directors delegate day-to-day management and decision making to senior management. However, delegation is subject to financial limits and other restrictions, above which, matters must be referred to the Executive Board. The directors maintain oversight of performance and ensure that management acts in line with the strategy and plans agreed by the Executive Board and its delegated authorities.

Policies and processes embrace the Group's operating practices. Managers have the authority to make decisions and that authority is delegated as far as is practicable but with clear accountabilities. Some matters involving risk are escalated in accordance with clear guidelines on evaluation and authority to approve.

The Group operates a business management system, STEP, that sets out the policies and procedures of the Group and the decision-making and authority framework. This determines our levels of delegated authority and operated workflows.

Committees of the Executive Board

The Executive Board delegates responsibilities and activities to its committees to support the Executive Board in meeting its responsibilities effectively, efficiently and on a timely basis. These committees are Management, Technology, Investment and Finance, and Risk. The terms of reference and composition of each committee are reviewed annually, agreed by the Executive Board and ratified by the Shareholders' Committee.

The committees monitor and report to the Executive Board on their remits, making recommendations on policies, strategies and initiatives, with the Executive Board retaining ultimate responsibility for any decisions made.

The Shareholders' Committee of the parent company

The Shareholders' Committee is responsible for reviewing reports from the Executive Board and contributing to discussion on strategic or operational matters to improve management of the business. It reviews and approves recommendations made by its sub-committees and by the Executive Board when such approvals are required.

It consists mainly of senior employee shareholders selected with the aim of providing a balanced representation from different parts of the global business. It also typically includes one or two independent members whose role is to enhance discussion and decision making and is currently chaired by one of these independent members. Executive Board directors are not members of the Shareholders' Committee or its sub-committees. They attend meetings to explain principles, deliver information and provide context to discussion.

The Shareholders' Committee delegates responsibilities and activities to its sub-committees, which support the Shareholders' Committee in meeting its agenda effectively, efficiently and on a timely basis. Its sub-committees are Audit and Risk Assurance, Nominations, and Remuneration and Equity.

The terms of reference and composition of each sub-committee are reviewed annually and agreed by the Executive Board and the Shareholders' Committee.

Corporate governance report

Principle 4 – Opportunity and risk

The board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and by establishing oversight to identify and mitigate risks.

As noted in the introduction to governance above, Mott MacDonald Group Limited, the parent company, sets the governance framework for the Group's business operations to comply with when conducting business through the trading subsidiaries of the Group.

The narrative set out below is a summary of the Group's general risk management process that is used by Mott MacDonald Limited.

Opportunity and value

The Group creates value through creating and developing information for our clients, our approach to which is maintained in our business management system. During 2025, our technical practices that support the creation and development of information have been enhanced through the introduction of the Chief Technical Officer role, that promulgates our best practice approaches into client delivery. The information we develop takes many forms but typically we generate reports, models and designs, together with supporting clients by managing programmes of work and providing assurance with respect to the work of others.

The Group chooses the markets we seek to work in through selective focus and where we assess we can build long-term value, focusing on clients that offer sustained addressable opportunity in our chosen markets. Client account directors have oversight of clients' development plans and empowerment to maintain high levels of client satisfaction through our services.

The Executive Board is responsible for determining the nature and extent of the risk appetite that the Group is willing to take, together with ensuring that risks are managed effectively.

Managing business risk

Business risk is considered and managed through a comprehensive approach maintained in our business management system. Where business risks are material, they are treated by an individual risk treatment plan, which consists of a three lines of defence model as noted on page 10. The Group's principal risk themes are noted on page 69.

Executive Board, committees, compliance, audit and business continuity

The Executive Board considers business risks together with risks related to health, safety, wellbeing and ethics at each board meeting.

The Executive Board is supported by the following:

Risk Committee

This provides the Executive Board with clarity of high-risk exposure such that there is appropriate visibility of the nature and levels of risk treatment that are in place or that need to be put in place. The committee recommends the target level of maturity for our enterprise risk management processes and ensures that treating risk is clearly defined, the committee assesses the adequacy of risk treatment processes at project, operating business and Group level, and ensures risk registers are used effectively in the running of the business.

The committee appoints a Regional Risk Sub-committee, chaired by the Chief Risk Officer, to bring regional representation to bear on this agenda and to facilitate the cascade of risk treatment processes into the operational business.

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Audit and Risk Assurance Sub-committee

This sub-committee provides assurance that the Group has appropriate policies, procedures, controls and systems in place governing operations, finance, risk, ethics and compliance, and that such governance policies, procedures, controls and systems are compliant with applicable covenants, regulations and laws.

The sub-committee reviews evidence that those governance policies, procedures, controls and systems are being implemented by appropriately qualified and experienced parties (including where independence is required) and that any findings reported are being appropriately acted upon.

The sub-committee meets tri-annually to consider our material exposure, and receive and consider risk reporting from the Chief Risk Officer.

Compliance function

The Group Senior Ethics and Compliance Officer, a direct report of the Group General Counsel to the Group Chief Executive, has oversight of investigations into alleged breaches of our code of conduct and any significant process failure.

The ethics and compliance capability allows the Group to manage ethical and legal compliance risks in accordance with our anti-bribery management system certified to ISO 37001. This includes processes to declare gifts, hospitality and conflicts of interest, ethics training for all senior managers, counterparty due diligence, screening, confidential whistleblowing line and case management system. Investigation cases are substantiated, actions are agreed, any corrective measures needed and process improvements required are implemented, with any lessons learned disseminated.

Internal audit function

Our internal audit approach continues to be enhanced utilising both internal and external capability providing assurance relating to quality and controls adherence across our financial, non-financial, cyber/IT, ISO accreditation, and health & safety (H&S) to the Executive Board, Risk Committee, and Audit and Risk Assurance Sub-committee. It provides assurance that our internal control environment is operating effectively, improvement actions are being undertaken appropriately and that we are managing and mitigating the risks to Mott MacDonald.

Our internal audit landscape contains four components: internal audit services (financial, non-financial, cyber/IT audits) undertaken by a combined internal and external team, ISO certification (undertaken by an external provider), internal controls environment auditing of our Business Management Systems (BMS), and H&S and compliance audits (both delivered in-house).

Business continuity function

Our business continuity and resilience approach develops, maintains and enables the operation of a Group Resilience Framework. The Group Resilience Framework is a series of integrated approaches and plans that are in place to manage a disruptive occurrence such that: impact is reduced; business continuity is maintained to an acceptable level; together with business recovery being achieved within an acceptable timeframe. Our approach to business continuity is enhanced through a programme of improvements which are undertaken across the cyber, office and communications areas.

Risk function

Enterprise risk management

Our risk management function develops, maintains and enables the operation of our Group risk framework, more fully described on pages 9 to 11.

Corporate governance report

Project risk before entering contracts

Managing project risk starts at the work-winning stage. Achieving the appropriate balance between risk and opportunity is firstly assessed at the initiation of a client relationship stage; secondly at the decision to pursue a potential client prospect; and finally at the point of a decision to submit a client proposal for a specific opportunity. These judgements are based upon assessments by client directors, who build a good understanding of clients' business plans, culture and likely fit with our own risk appetite.

Each client prospect is assessed for its complexity to identify the level of control that is required for project delivery and the required competence of the project leadership team. This determines the right mix of capability needed in the team to support the project manager and project principal. For more complex projects, the project principal is supported by an oversight board.

The Group identifies attributes related to material technical and commercial risks for which formal approvals are required to accept the risks before a tender can be submitted.

Project risk during delivery

Project risk is managed through our risk process contained in our BMS which are ISO 9001:2015 compliant. The systems define our approach to project delivery and are mandated for all projects. Our BMS are compliant with ISO standards for H&S, the environment, anti-bribery management, risk, information security and collaborative working.

Our enterprise resource planning systems and associated risk tools support improved risk management, providing an integrated risk register for each project. The risk register is live during delivery, giving improved visibility of current risks and enabling improved project management.

Monthly project control meetings together with annual project reviews are carried out by the project teams. They monitor risk and uncertainty and update the risk register, project budget and project delivery plan as required.

Performance is monitored at management levels through exception reports, which identify anomalies that need to be investigated, evaluated and followed up.

Supply chain risk

Due diligence is undertaken on our supply chain before contracting with them. Where material risks related to technical competence, business ethics, modern slavery, sanctions, export controls, environmental, social or safeguarding are identified, further work is carried out to seek to ensure that the association with the supplier will not damage our reputation.

Principle 5 – Remuneration

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

As noted in the introduction to governance above, Mott MacDonald Group Limited, the parent company, sets the governance framework for the Group's business operations to comply with when conducting business through the trading subsidiaries of the Group.

The narrative set out below is a summary of the Group's governance framework and principles in managing processes and controls in the area of reward across the Group, of which Mott MacDonald Limited is the principal trading company in the UK in consulting engineering.

Corporate governance report

Consistency and control

We operate a consistent and equitable approach to remuneration, which is aligned to our values as an employee-owned organisation. In 2025, we announced enhancements in our employee-ownership model to further embed a culture of shared success and long-term value creation. These changes reflect our commitment to ensuring that reward structures support sustainable business performance and are inclusive of all colleagues.

Key changes have included:

- a greater connection between individual performance and reward outcomes;
- a refreshed personal performance bonus scheme;
- a revised Group performance bonus scheme; and
- a simplified and standardised share offer process for eligible grades across the Group.

Our improved remuneration framework will apply consistency across the Group, with central oversight and governance provided by our Group Reward function. Regions will continue to manage and operate the framework locally with central advice.

Approvals for the annual pay review, bonus proposals and share scheme sit with the Executive Board. The Remuneration and Equity Sub-committee, which reports to the Shareholders' Committee, reviews and endorses Executive Board decisions on remuneration. The 2025 enhancements to the employee-ownership model were developed in consultation with this governance structure to ensure alignment with our values and long-term strategy.

We continue to benchmark pay elements to ensure competitiveness and mitigate retention risks. The 2025 ownership enhancements further support retention by providing employees with a clearer path to share ownership in a fair and transparent manner. The changes also ensure we can provide attractive and competitive offerings for new recruits.

The Executive Board will continue to regularly review remuneration incentive plans to ensure they remain fit for purpose.

Remuneration and Equity Sub-committee

The Remuneration and Equity Sub-committee endorses Executive Board decisions on remuneration and equity, including:

- percentage pay review amounts;
- the size and allocation of the discretionary bonus pool for employees;
- compensation proposals for the directors of the Executive Board;
- annual share allocation for purchase by employees;
- annual share offers for purchase by the executive directors of the company where applicable; and
- any dividends.

Decisions are based on individual and Group performance. Performance is defined with agreed goals and targets, and measured via metrics such as revenue growth, profit growth, profitability, working capital, ethics and collaboration, as well as the development and demonstration of professional and technical excellence. Individual performance is reviewed via our performance review process called 'Connected Conversations'.

Directors and independent members

The sub-committee reviews the remuneration of executive directors, as well as the offer of shares for them to purchase, within set limits as advised by Group Reward. This provides an effective control over their remuneration and equity holding, ensuring a measured and justified value proposition. Their remuneration and share allocation are based on the same performance principles as those used for staff.

Corporate governance report

The sub-committee also reviews and appraises the Executive Board's current policies and mechanisms for reward and endorses decisions by the Executive Board to change them for the better interests of the Group, its employees and stakeholders.

Independent members are remunerated for the services they perform. In line with recommended practice, an important pillar of corporate governance is that they are not given the opportunity to buy shares. This helps to ensure that they are independent and objective.

Equality, diversity and inclusion (EDI)

We support the principles of equality and inclusion in remuneration, actively adhering to legislation that promotes pay equity and pay gap reporting, to ensure our people are paid equally for doing the same jobs across relevant locations.

We recognise the need to address any inequality or gaps in pay and are resolute in doing so. The enhancements to the employee-ownership model further progress our ambition to support EDI.

Our ambition is to create a diverse and inclusive workplace and culture, and to attract and retain a wide diversity of talent across the Group. We also provide support and counsel to our leaders and managers so they can support EDI via our regional EDI managers who possess regional EDI subject-matter expertise.

Principle 6 – Stakeholder relationships and engagement

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

The narrative set out below is a summary of the Group's general approach to stakeholder engagement that is used across Mott MacDonald Limited, either as an imperative for its operations or as a member of the Mott MacDonald Group.

Regular engagement with stakeholders ensures that our strategy, plans and initiatives continue to work in the best interest of the Group and the clients, communities and individuals it serves.

In addition to the engagement planned and delivered locally, there is a structured engagement process across the Group run through the governance of the parent company.

With our employee shareholders

The Board maintains a structured engagement schedule with shareholders who, apart from the Employee Trust, are exclusively employees. We have no external shareholders or funding, ensuring our independence as a privately-owned company.

Engagement is designed to align shareholder and Group interests, share performance updates and inform strategic decisions, ensuring directors act in the best interests of the company, its shareholders and wider stakeholders. This includes the directors providing:

- quarterly and annual business and performance reviews;
- two shareholder meetings each year, covering results, strategy and major initiatives, including Q&A with the Executive Board; and
- regional forums for shareholders fostering dialogue, unity and performance improvement.

In 2025, shareholder engagement was further strengthened through the ownership model refresh. Almost all employees are now either bonus unit holders or shareholders, reinforcing our commitment to inclusive governance.

Corporate governance report

Going forward, this extended commitment includes:

- a new employee sub-committee, which is in the process of being established, representing diverse perspectives across grades and regions, working alongside the Shareholders' Committee to inform governance;
- annual regional business updates with the Executive Board and regional leaders, offering transparency and direct engagement; and
- more frequent and detailed performance updates, enabling all employees to understand our direction and contribute to shared success.

These developments reinforce our commitment to strong, transparent relationships with our employee stakeholders and reflect our belief that ownership should be shaped by all and shared by all.

With our employees

The directors maintain regular engagement with employees not only to share the Group's strategic direction and performance, but also to actively listen and gather feedback.

In 2025, this engagement was significantly enhanced through the global employee-ownership project.

This included:

- a global roadshow led by the Group Chief Executive and senior leaders, reaching colleagues across all regions. These in-person and virtual sessions provided clarity on the changes, created space for dialogue and reinforced the importance of shared ownership;
- webinars and Q&A sessions supporting transparency and understanding, with thousands of colleagues participating live or via recordings; and
- a dedicated information portal housing FAQs, explainer videos and updates; ensuring all colleagues had access to consistent and timely information.

This programme of engagement was designed to ensure every employee, regardless of grade or location, has a stake in our success and a voice in shaping our future. An expanded narrative covering details of employee engagement is set out in the directors' report on page 31.

With our clients

Our approach to understanding and responding to the needs of our clients and their stakeholders is central to our business. In support of this, the directors and senior leadership across the business actively engage with our clients through a diverse programme, fostering productive and long-term relationships.

This includes but is not limited to:

- participation in client-facing activity such as visits to key business locations to meet clients and build an informed view of local markets, the local business and the quality of our brand;
- dedicated board sponsorship for the management of our most important clients; and
- a requirement for the issuance of client satisfaction questionnaires for individual clients so that their views on service provision can be incorporated into our learning and development plans.

With our partners

The directors maintain regular engagement with partners such as peers, suppliers, other market and industry bodies and academic institutions to discuss specific issues with them. This enables all parties to better understand common interests and differences to improve decision making on routine business matters and key issues to achieve better-quality outcomes.

Corporate governance report

This includes the directors:

- maintaining a portfolio of public engagement activity such as meeting with key government bodies, business networks, briefings and roundtables to help steer our business to help inform future strategy and our position on key issues;
- meeting with our key joint venture partners to ensure open and informative relationships are maintained;
- collaborating and jointly communicating with strategic partners on shared initiatives;
- meeting with larger suppliers on a regular basis to ensure that there is a fair value proposition for both parties while maintaining quality and rigour in our working arrangements;
- meeting with our relationship banks during the year to brief them on strategy, performance and relevant business matters;
- meeting with the advisers and trustees of our pension schemes to share updates on pension funding and to brief the trustees on the Group's performance and prospects; and
- participating in the activities of professional and academic institutions through governing and advisory boards, and staying in touch with subject-matter experts relevant to the activities of the business.

With wider stakeholders

The directors maintain regular engagement with wider stakeholders to enhance market focus and promote the company effectively. They do this through:

- external executive communications across areas that matter to our clients and to our business; and
- sponsorship of Mott MacDonald's brand and digital presence that communicates with clients, stakeholders and wider society.

Further specific examples of how the directors have engaged with employees, clients and wider stakeholders in the course of their duties, and having regard to this engagement and their views in making decisions to ensure the success of the company, are set out in the S172 statement in the strategic report on pages 11 to 17.

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



Cathy Travers, Managing Director
27 March 2026



Ed Roud, Finance Director
27 March 2026

Directors' report

The directors present their report, together with the audited financial statements of the company for the year ended 31 December 2025.

Registration

Mott MacDonald Limited is a private company registered in England and Wales, registered number 01243967.

Principal activities

Mott MacDonald is one of the world's leading engineering, management and development consultancies. Our core business markets are Buildings, Defence & Security, Energy, Environment & Society, Transport and Water. We are an independent employee-owned company engaged in public and private sector development worldwide.

We are committed to creating value and delivering tangible benefits for our customers, across a wide range of industries, which include national and local governments, healthcare and education institutions, transport operators, industrial and utility providers, developers and contractors, banks, commercial companies, funding agencies and non-governmental organisations.

Results and dividends

The profit for the year after taxation amounts to £44.2m (2024 – £69.0m).

An interim dividend of £10.0m (2024 – £13.5m) was paid to Mott MacDonald Group Limited on 12 December 2025. The directors do not recommend the payment of a final dividend.

Directors

The following were directors of the company during the year ended 31 December 2025.

Ian Galbraith
James Harris
David Johnson
Ed Roud
Cathy Travers

Ian Galbraith resigned as a director on 30 September 2025.

Directors' and officers' indemnity and liability insurance

The directors continue to have the benefit of an indemnity under the Articles of Association of the company to the extent permitted by law in respect of liability incurred as a result of their office with the company. The ultimate parent company of the Group, Mott MacDonald Group Limited, has purchased and maintained directors' and officers' liability insurance during the year which excludes dishonest or fraudulent acts or omissions.

Post balance sheet events

There are no post balance sheet events requiring disclosure.

Future developments

The various markets of the company are likely to continue to be impacted by economic and geopolitical uncertainty, which has created a more unsettled business environment over the past few years. The main potential impact is likely to come from any implications for government funding for infrastructure programmes. Business activity levels continue to be sustained at present. Management continues to focus on lead indicators of business activity, such as business confidence, business prospects and the order book, to anticipate market trends and to be ready to respond to growth or contraction as it occurs.

Directors' report

Statement of corporate governance arrangements

During 2025, Mott MacDonald Limited continued its strong commitment to our existing corporate governance framework adopted by the Executive Board of Mott MacDonald Group Limited. Our detailed governance framework is applied throughout the Group and sets out how the company conducts business across the Group. It captures our values, policies and processes together with clear levels of delegated responsibility aimed at ensuring that our employees and businesses act in a clear, accountable and consistent manner. The adopted framework is in line with the legislative requirements under the Companies (Miscellaneous Reporting) Regulations 2018 and Section 172 of the Companies Act 2006.

The corporate governance report on pages 18 to 28 demonstrates how we have satisfied the requirements for governance under the Companies (Miscellaneous Reporting) Regulations 2018 throughout the year ended 31 December 2025.

For more information, please see the financial statements of Mott MacDonald Group Limited or visit our website mottmac.com/en-gb/about-us/governance-and-policies/.

Shareholder engagement

Mott MacDonald Limited is the main trading entity of the Mott MacDonald group and is controlled by the ultimate parent company, Mott MacDonald Group Limited. Different ways of engagement with shareholders of the ultimate parent company, who are also employees of the company, are disclosed in the corporate governance report on pages 26 and 27.

Employees

We ended the year with over 8,700 employees and a total workforce of over 9,100, including agency and contract workers.

Employment policies

The company actively encourages employees to play a part in developing the company's business and in enhancing its performance. Increasing share ownership worldwide in the ultimate parent undertaking, Mott MacDonald Group Limited, is a key element of this policy. In addition, the company recognises individual contributions through performance bonuses and annual awards.

We recognise exemplary work in responding to societal issues, by considering social outcomes and sustainability in everything we do, through our Environment and Society Award. We celebrate excellence through our Milne Innovation, Thought Leadership and Digitally Enabled Excellence Awards. The importance of great project management and global teamwork is celebrated by our Project Manager of the Year and One Mott MacDonald Awards respectively.

We recognise the achievements of colleagues who bring all of this to life for our clients through our Excellence in Client Engagement Award.

Equal opportunities

Company policy is to employ, develop and promote staff based solely on aptitude, ability and work ethic. As a result, our staff come from a wide diversity of backgrounds. The company wishes to ensure that no discrimination occurs, either directly or indirectly, against individuals with a disability on the grounds of that disability in relation to recruitment, promotion, training, benefits, terms and conditions of employment, and dismissal. Wherever possible, reasonable adjustments will be made to either the workplace, workstation or working environment to help employees with disabilities.

We apply the same standards and protocols to other areas where discrimination may exist in the workplace and our current initiatives in equality, diversity and inclusion (EDI) are set out in the corporate responsibility statement on pages 3 and 4.

Directors' report

Engagement with employees

The directors deliver a structured programme of engagement with employees. The purpose is to ensure that they are informed of the Group's strategy and plans and are aware of its performance. They are engaged to share their views and ideas on initiatives, work practices, behaviours, the workplace and policies. This also extends to external themes relevant to the Group and its employees.

The aim of the engagement is to ensure that the directors listen to employees on matters which impact them and listen to their views, opinions and ideas in making decisions. This helps to ensure that they act in the best interests of the Group and promote its long-term success. It also aligns employees to that success and encourages them to contribute to it.

This includes the directors:

- enhancing the Group's reward model by introducing 'bonus units' for employees who are not shareholders to enable them to participate in profit share;
- creating a mechanism for employees to benefit from the company's success by using bonus schemes to distribute profit to them based on performance and behaviours;
- using corporate emails or presentations to brief employees on important matters impacting the company and using their feedback to improve policy or decisions;
- briefing employees on other matters of importance that impact on them, their jobs, the company or society;
- issuing quarterly performance reports to employees setting out key metrics on financial performance to make them aware of how they can play their part in replicating success and improving performance;
- using the intranet or social media to access employee opinions on matters affecting them in the workplace and impacting their employment; the directors can use these views in decisions to improve the quality of the workplace or work practices;
- using the intranet or social media to make employees aware of significant operational matters and strategic plans to engage them to respond to the challenges;
- running 'town hall' sessions with employees in offices the directors visit, to give them an understanding of what is happening elsewhere in the business with an opportunity for Q&A sessions;
- running staff councils in local offices for management and staff to discuss issues in the Group or the workplace, with the aim that the company and employees can benefit from a better and more productive work environment;
- providing 'Speak Up' hotlines for anonymous reporting of concerns over ethical/behavioural matters, allowing the business to formally investigate any issues; and
- running staff engagement surveys, enabling the directors to understand and focus on matters needing change, development or improvement.

Statement of engagement with suppliers, customers and others in a business relationship with the company

Details of how the directors have engaged with employee shareholders, clients, partners and wider stakeholders are set out in the corporate governance report on pages 26 to 28.

Energy consumption and carbon information

The relevant information on energy and carbon is set out in the strategic report on pages 4 and 5.

Principal risks and uncertainties

Business risks and measures to mitigate these risks are described in the strategic report on pages 9 to 11, corporate governance report on pages 22 to 24 and the Group risk summary on page 69.

Directors' report

The company is exposed to liquidity risk, credit risk and exchange risk and has a variety of controls and processes in place to manage these risks to minimise financial loss. Key aspects are:

- investments – where viable, counterparties must meet a minimum credit rating of A-1 long term and P-1 short term;
- investment limits are assigned to counterparties based on their ratings and reviewed regularly;
- the company does not undertake any speculative trades;
- transactional exchange rate risk – the net exposure would be hedged with foreign exchange forward contracts, where necessary, but only after using natural hedging;
- translational exchange rate risk – the company does not use hedging instruments;
- credit control procedures are carried out on prospective clients during the bidding period and for the duration of the contracts and longer-term relationships;
- working capital and cash flow targets are monitored and managed daily, with weekly and monthly reporting to the Executive Board; and
- mitigating controls are in place to prevent a credit downgrade or a material reduction of our bank facilities to avoid or minimise business disruption.

Any material transaction and translation exposure after matching is monitored by management with action taken as necessary. There is no material interest rate risk at the year end. Interest rate exposures are hedged where necessary.

Mott MacDonald Limited branches outside of the UK

The company has registered branch operations in a number of international territories.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report. This includes the strategic report, corporate governance report, directors' report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. The directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland').

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

Directors' report

Auditor and disclosure of information to the auditor

In accordance with Section 418 of the Companies Act 2006, each of the directors as at 27 March 2026 confirms that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

BDO LLP offer themselves for reappointment as auditor in accordance with Section 485 of the Companies Act 2006.

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



Joanna Field, Company Secretary
27 March 2026

Independent auditor's report

to the members of Mott MacDonald Limited

Opinion on the financial statements

In our opinion, the financial statements:

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

We have audited the financial statements of Mott MacDonald Limited ('the company') for the year ended 31 December 2025 which comprise the income statement and statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the 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.

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 company's ability to continue as a going concern for a period of at least 12 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.

Climate change

Our work on the assessment of potential impacts of climate-related risks on the company's operations and financial statements included:

- enquiries and challenge of management and the Climate, Environment and Social ('CES') Steering Group to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- our own qualitative risk assessment taking into consideration the sector in which the company operates and how climate change affects this particular sector; and
- review of the minutes of Executive Board, Audit and Risk Assurance Sub-committee and CES Steering Group meetings and other papers related to climate change and performed a risk assessment as to how the impact of the company's commitment as set out in the company's Carbon Reduction Plan may affect the financial statements and our audit.

Independent auditor's report

to the members of Mott MacDonald Limited

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the directors' going concern assessment.

The management disclosures on pages 4 and 5 form part of the strategic report. Our responsibilities in relation to these disclosures are described in the relevant section of this report and our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained from the audit or otherwise appear to be materially misstated.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Other Companies Act 2006 reporting

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.

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

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

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report

to the members of Mott MacDonald Limited

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company which were contrary to applicable laws and regulations.

We considered the most significant laws and regulations to be the financial reporting framework, including:

- the Financial Reporting Standard 102;
- the Companies Act 2006; and
- the Wates Principles for Corporate Governance.

The company is also subject to laws and regulations where the consequences of non-compliance could have a material effect on the amount of disclosures in the financial statements, for example through the imposition of fines or litigations.

We identified such laws and regulations to be:

- UK and international corporate and sales tax regulations;
- employee-related regulations including health and safety and equality; and
- anti-bribery and corruption guidance.

Our procedures in respect of the above include:

- review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- enquiries with management, those charged with governance, legal counsel and internal audit to identify any known, suspected or alleged instances of non-compliance with laws and regulations;
- review of correspondence with tax authorities and other regulatory bodies for any instances of non-compliance with laws and regulations;
- involvement of tax specialists in the audit;
- review of financial statement disclosures and agreement to supporting documentation; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

Independent auditor's report

to the members of Mott MacDonald Limited

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- obtaining an understanding of the company's policies and procedures relating to:
 - detecting and responding to the risk of fraud; and
 - internal controls established to mitigate risks related to fraud.
- review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of control within the financial reporting close process and revenue recognition related to judgements and estimates in the timing of revenue earned.

Our procedures in respect of the above included:

- testing of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- assessing significant estimates made by management for bias in revenue recognition, including percentage completion based on estimated costs to complete and profitability of projects; and
- assessing other significant estimates and judgements made by management for bias within the revenue cycle, including completeness of provisions for contract assets, trade receivables, and contract losses and contract liabilities.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report

to the members of Mott MacDonald Limited

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.

Lucie Kingdom (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
27 March 2026

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

Income statement and statement of comprehensive income

for the year ended 31 December 2025

Income statement	Notes	2025 £000	2024 £000
Gross revenue	5	1,054,981	1,036,128
Cost of sales		(599,027)	(574,438)
Gross profit		455,954	461,690
Administrative expenses		(430,894)	(417,628)
Operating profit	6(a)	25,060	44,062
Other income	6(b)	907	7,362
Provision for impairment of investments	14	(6,106)	(3,000)
Fair value adjustments on investment in parent undertaking	14	1,799	731
Dividends received from subsidiary undertakings		6,755	4,000
Profit on ordinary activities before interest		28,415	53,155
Net interest receivable	9	24,833	29,654
Other finance income	24	2,500	1,900
Profit on ordinary activities before taxation		55,748	84,709
Tax on profit on ordinary activities	10(a)	(11,574)	(15,703)
Profit on ordinary activities after taxation		44,174	69,006

The company's gross revenue and operating profit relate to continuing operations.

Statement of comprehensive income	Notes	2025 £000	2024 £000
Profit for the financial year	21	44,174	69,006
Other comprehensive (expense)/income			
Net actuarial loss on pension scheme	21, 24	(6,000)	(900)
Tax on net actuarial loss	10(c), 21	1,500	225
Change in restriction of pension asset recognised – gross	21	3,500	(7,500)
Change in restriction of pension asset recognised – tax thereon	10(c), 21	(875)	1,875
Total other comprehensive expense		(1,875)	(6,300)
Total comprehensive income for the year		42,299	62,706

Statement of financial position

at 31 December 2025

Registered No. 01243967	Notes	As restated ¹	
		2025 £000	2024 £000
Fixed assets			
Intangible assets	12	752	1,436
Tangible assets	13	18,579	17,214
Fixed asset investments	14	94,596	80,754
		113,927	99,404
Current assets			
Debtors	15	450,238	501,676
Current asset investments	16	174,903	162,005
Cash at bank and in hand		190,954	125,480
		816,095	789,161
Creditors: amounts falling due within one year	17	(402,479)	(360,916)
		413,616	428,245
Net current assets		527,543	527,649
Total assets less current liabilities		527,543	527,649
Provisions for liabilities	19	(18,218)	(20,623)
Net assets		509,325	507,026
Capital and reserves			
Called up share capital	20	10,000	10,000
Profit and loss account	21	499,325	497,026
Shareholders' equity		509,325	507,026

¹ Cash at bank and in hand and current asset investments have been restated for 2024 as explained in note 16.

The financial statements on pages 39 to 67 were approved and authorised for issue by the Board of Directors on 27 March 2026 and signed on its behalf by:



James Harris, Executive Chair

Statement of changes in equity

for the year ended 31 December 2025

	Notes	Called up share capital £000	Profit and loss account £000	Total £000
At 1 January 2024		10,000	464,327	474,327
Profit for the year	21	–	69,006	69,006
Other comprehensive (expense)/income:				
Net actuarial loss on pension scheme	21, 24	–	(900)	(900)
Tax on net actuarial loss	10(c), 21	–	225	225
Change in restriction of pension asset recognised – gross	21	–	(7,500)	(7,500)
Change in restriction of pension asset recognised – tax thereon	10(c), 21	–	1,875	1,875
Total other comprehensive expense for the year		–	(6,300)	(6,300)
Total comprehensive income for the year		–	62,706	62,706
Dividends paid	11, 21	–	(13,500)	(13,500)
Distributions to fellow subsidiary undertakings	21	–	(1,507)	(1,507)
Bonus issue of shares	20, 21	15,000	(15,000)	–
Cancellation of shares	20	(15,000)	–	(15,000)
At 31 December 2024/1 January 2025		10,000	497,026	507,026
Profit for the year	21	–	44,174	44,174
Other comprehensive (expense)/income:				
Net actuarial loss on pension scheme	21, 24	–	(6,000)	(6,000)
Tax on net actuarial loss	10(c), 21	–	1,500	1,500
Change in restriction of pension asset recognised – gross	21	–	3,500	3,500
Change in restriction of pension asset recognised – tax thereon	10(c), 21	–	(875)	(875)
Total other comprehensive expense for the year		–	(1,875)	(1,875)
Total comprehensive income for the year		–	42,299	42,299
Dividends paid	11, 21	–	(10,000)	(10,000)
Bonus issue of shares	20, 21	30,000	(30,000)	–
Cancellation of shares	20	(30,000)	–	(30,000)
At 31 December 2025		10,000	499,325	509,325

Notes to the financial statements

at 31 December 2025

1. Company information

Mott MacDonald Limited is a private company limited by shares registered in England and Wales with registered number 01243967. The registered office is: 10 Fleet Place, London EC4M 7RB, United Kingdom.

2. Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland’ (‘FRS 102’), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The company is exempt from preparing consolidated financial statements on the grounds that it qualifies as an intermediate parent company under Section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The company has adopted the exemption from disclosing a statement of cash flows and the related notes in accordance with Section 1.11 of FRS 102. The equivalent disclosure is included in the consolidated financial statements of the company’s ultimate parent undertaking, Mott MacDonald Group Limited.

Mott MacDonald Employee Trust

Mott MacDonald Limited is the sponsoring entity for the Mott MacDonald Employee Trust (‘Employee Trust’).

The Employee Trust has been in place since 1986. Its purpose is to support the framework of employee share ownership in the ultimate parent company, Mott MacDonald Group Limited. The Employee Trust acts as a warehouse to ensure that the internal market for shares in the parent company, Mott MacDonald Group Limited, can operate fluidly during the year. The Employee Trust sells shares to employees when they are given the opportunity to buy shares at fair value in the parent company and the Employee Trust buys shares in the parent company at fair value when they are sold by employee shareholders.

The results, assets and liabilities of the Employee Trust have been included in these financial statements on the basis that the company has control of the trust.

Going concern

The Group has prepared a cash flow forecast (base case) to 31 December 2027 on the basis of which the directors consider that the Group and the company have sufficient cash reserves to continue trading, whilst meeting the financial covenants set within the bank facilities.

In addition, having considered the economic environment in the markets in which the Group operates based on historical experience, the Group performed detailed analysis on future cash flow projections up to 31 December 2027 using a hypothetical, severe but plausible, downside scenario of reductions in both revenue and cash receipts of 20% that may result from the negative impact of events, such as a severe global recession, or other macroeconomic factors. The projections incorporate a number of scenarios including a typical response from the Group by taking appropriate cost-cutting measures to preserve cash and other scenarios where the Group is either slower in its response or where little or no mitigation measures are being taken by the Group. While the cash flow impact of these scenarios is materially different to the base case forecast, the financial modelling indicates that the Group and company would still have sufficient liquidity and be able to continue trading for at least 12 months from the date of approval of the financial statements.

Notes to the financial statements

at 31 December 2025

2. Basis of preparation (continued)

Going concern (continued)

The company also has a strong cash position at the statement of financial position date and a Group bank facility, which is available to the company, is in place up until December 2030 for £125m, of which only £9m utilised at the year end (2024 – £10m) by a fellow Group undertaking, with an accordion of £50m available to use as part of the main facility agreement.

On the basis of the above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and at least for a period of 12 months from the date the financial statements are signed. The directors therefore consider the adoption of the going concern basis in preparing the financial statements as appropriate.

Ultimate parent undertaking

The company's ultimate parent undertaking is Mott MacDonald Group Limited, a company registered in England and Wales. Copies of the Group financial statements can be obtained from the company's website, mottmac.com.

The largest and smallest group of undertakings for which group financial statements have been drawn up is that headed by Mott MacDonald Group Limited.

3. Significant judgements and estimates

When preparing the financial statements, management makes a number of estimates, judgements and assumptions about the recognition and measurement of assets, liabilities, revenue and expenses. Management bases its assessment for estimates and judgements on historical experience, market insights and other factors, including expectations of future events that are believed to be reasonable in light of known circumstances.

Critical accounting judgements in applying the company's accounting policies that have the most significant effect on amounts recognised in these financial statements are as follows:

Revenue from contracts

Where a change in the scope of work occurs, judgement is exercised on a contract-to-contract basis to determine whether the criteria for revenue recognition are met. The most important criteria are that the revenue and costs can be measured reliably and that it is probable that billings associated with the change in scope will be collected.

Provisions

From time to time, the company receives claims from clients or other third parties with regards to work performed on projects. The company insures itself against such claims through policies written by the Group's captive insurance subsidiary and through the external insurance market. Significant judgement is required to determine whether a provision should be put in place for these claims, including considering their merits.

Defined benefit pension scheme

Section 28 of FRS 102 permits an entity to recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. In the opinion of the directors, the company does not have an unconditional right to the surplus and therefore no asset has been recognised.

Notes to the financial statements

at 31 December 2025

3. Significant judgements and estimates (continued)

Estimates that may carry a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are considered as follows:

Revenue from contracts

The company's revenue accounting policy is central to how the company values the work it has carried out in each financial year. This policy requires forecasts to be made on the current percentage of completion and the projected outcomes of projects. The key estimates relating to determining the revenue and profitability of projects and related assets or liabilities within the company's financial statements are:

- percentage of completion – calculated by taking actual cost incurred as a percentage of forecast total cost. Estimation is required in determining the forecast cost;
- profitability of a project – project teams use their judgement to estimate the costs to complete a project. These include an assessment of the cost of anticipated potential future expenses; and
- pain/gain share – should contracts contain clauses that give rise to reductions in the amounts billable (pain) or additional upside fees billable (gain), project teams use their judgement to estimate their share of any pain/gain and include the impact of such in the percentage of completion assessment, which therefore impacts revenues recognised.

Projects may contain contingencies in their accounting estimates. The contingencies can be for potential additional costs to complete the project (cost contingencies) and for potential clawback or disallowance of fees where work has been done or is planned to be done (revenue contingencies).

Such cost and revenue contingencies are only included in the estimates in project budgets if they are deemed 'more likely than not to occur' when the financial statements are prepared. Management has reviewed project budgets at 31 December 2025 and is satisfied that contingencies that are included in project budgets reflect this methodology and the criteria set out above. There is however uncertainty in respect of the extent and magnitude of the contingencies, most notably whether the amounts recognised will fully crystallise. Due to their nature, revenue contingencies tend to require more judgement than cost contingencies. Revenue contingencies totalled c£79m at 31 December 2025 (2024 – c£71m), the majority of which relates to 27 projects (2024 – 19 projects).

The classifications in the statement of financial position impacted by the above factors are contract assets £78.0m (2024 – £75.0m) and contract liabilities £108.4m (2024 – £101.9m).

Based on the information available as at 31 December 2025, management does not consider there to be any significant risk of a material change to the estimates and contingencies that feed into contract accounting on projects within the next financial year. However, future events and circumstances which cannot be foreseen at this stage may require significant changes to these estimates and contingencies at some future point.

Management is content that its project budgeting, contract management and risk management processes will reasonably result in any such future changes to a project being absorbed in future project budgets without creating a specific material unfunded project loss.

The company considers that the level of estimation uncertainty in the financial statements as a whole is mitigated by the size of the company's portfolio of contracts, which are of various types and at different stages of completion at any point in time.

Notes to the financial statements

at 31 December 2025

3. Significant judgements and estimates (continued)

Defined benefit pension scheme

The cost of defined benefit pension plans is determined annually using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, inflation, mortality rates and future pension increases. Due to the complexity of the valuation, the assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty, with the valuation being most sensitive to the life expectancy, discount and inflation rate actuarial assumptions used. There is a range of possible values for the assumptions and small changes in these may have a significant impact on the valuation of the defined benefit pension obligations. The assumptions in relation to the scheme are set out in note 24, including sensitivity analysis on the three most critical estimates.

4. Principal accounting policies

Business combinations

Acquisitions of businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the acquisition date) of assets given, liabilities incurred or assumed and equity instruments issued by the company in exchange for control of the acquiree.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill.

Goodwill and intangible assets

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the statement of financial position and amortised on a straight line basis over its estimated useful life.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each cash generating unit that is expected to benefit from the synergies of the combination. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

If a subsidiary or business is subsequently sold or closed, any goodwill arising on acquisition that has not been amortised through the income statement is taken into account in determining the profit or loss on sale or closure.

Intangible assets, including software, acquired separately from a business are capitalised at cost where they meet the capitalisation criteria of FRS 102.

Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill only if they meet the following three conditions:

- future economic benefits are probable and the cost or value of the asset can be reliably measured;
- the intangible asset arises from contractual or other legal rights; and
- the intangible asset is separable.

Intangible assets created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred, unless the asset will generate future economic benefits and the costs can be reliably measured.

Notes to the financial statements

at 31 December 2025

4. Principal accounting policies (continued)

Goodwill and intangible assets (continued)

Goodwill and intangible assets are amortised on a straight line basis over their estimated useful lives with the amortisation being charged to administrative expenses in the income statement. The net book values of goodwill and intangible assets are reviewed for impairment if events or changes in circumstances indicate the net book value may not be recoverable. The useful economic lives of goodwill and intangible assets are as follows:

Goodwill	5 to 10 years
Software	2 to 10 years

Tangible fixed assets

Tangible fixed assets are measured at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives, using the straight line method. The useful economic lives of tangible fixed assets are as follows:

Fixtures, fittings and equipment	3 to 10 years
Motor vehicles	3 to 4 years

Gross revenue

The term 'gross revenue' used in these financial statements is the same as the statutory definition of turnover contained in Section 474 of the Companies Act 2006.

Gross revenue represents the fair value of the consideration receivable in respect of services provided during the year, inclusive of direct expenses incurred but excluding Value Added Tax. In recognising revenue, consideration is given to the contractual terms within individual contracts to determine whether the company is engaging in the arrangement as a principal or as an agent. Determining whether the company is acting as a principal or as an agent is based on an assessment of the contract in line with the factors set out in Section 23 of FRS 102, being, primary responsibility for delivery of goods or services, inventory risk, credit risk and latitude to establish prices. In addition to these factors, consideration is also given to any other relevant facts specific to the circumstances of the contract to decide whether the company has exposure to the significant risks and rewards associated with the transaction.

Where it is determined that the company is acting as an agent, the related revenue and costs are offset with each other leaving only the company's fee as revenue in the financial statements. Principal versus agency considerations are typically applied to contracts where a significant portion of the contract relates to funds that are disbursed by the company on behalf of the client.

Gross revenue on fixed price or lump sum contracts is recognised in the income statement by reference to the stage of completion of the contract at the statement of financial position date, provided that a right to consideration has been obtained through performance.

Consideration accrues as contract activity progresses by reference to the value of work performed, which coincides with costs incurred, and this is estimated by reference to costs incurred to date compared to expected lifetime costs. Hence the proportion of revenue recognised in the year equates to the proportion of costs incurred to total anticipated contract costs less amounts recognised in previous years where relevant.

Gross revenue for time and materials contracts is recorded over time in the income statement based on the value of the company's work performed for the client.

Notes to the financial statements

at 31 December 2025

4. Principal accounting policies (continued)

Gross revenue (continued)

Contract variations and claims are included in revenue where it is probable that the amount, which can be measured reliably, will be recovered from the client.

Full provision is made for losses on all contracts in the year in which they are first foreseen.

Contract assets represent the excess of revenue earned by reference to work done over the amounts invoiced at the year end. Where the progress payments received and receivable exceed the value of revenue earned to date, the excess is shown within creditors as contract liabilities.

Jointly controlled operations

The company has certain contractual arrangements with other participants to engage in joint activities that do not give rise to a jointly controlled entity. The company includes its share of the assets in such joint ventures, together with the liabilities, revenues and expenses arising jointly or otherwise from those operations. All such agreements are measured in accordance with the terms of each arrangement.

Research and development

Research and development costs required to complete projects during the normal course of business are immediately expensed to the income statement. Development costs incurred in developing assets for ongoing use in the business are assessed for capitalisation against the criteria of FRS 102. Where such assets meet the required criteria, they are capitalised and amortised over their estimated useful lives.

Fixed asset investments

Investments in subsidiary undertakings are recognised initially at fair value which is normally the transaction price (including transaction costs). Subsequently, they are measured at cost less any provision for impairment.

Investment in the parent undertaking, Mott MacDonald Group Limited, is measured at fair value with changes in fair value recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, such as term deposits with original maturities of less than three months.

Current asset investments

Current asset investments held at amortised cost are term deposits with original maturities of less than one year. They are measured at amortised cost less impairment where the investments are held to collect contractual cash flows that represent solely repayments of principal and interest.

Financial assets

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

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

Notes to the financial statements

at 31 December 2025

4. Principal accounting policies (continued)

Financial assets (continued)

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

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and any changes in fair value are recognised in the income statement, except for investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably which are measured at cost less impairment.

Financial assets are derecognised when:

- the contractual rights to the cash flows from the asset expire or are settled; or
- substantially all the risks and rewards of the ownership of the asset are transferred to another party; or
- despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

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

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

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the company and amounts can be estimated reliably. Provisions are measured as the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Any reimbursement that the company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Taxation

Current tax, including UK corporation tax, is provided on amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Notes to the financial statements

at 31 December 2025

4. Principal accounting policies (continued)

Deferred taxation (continued)

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the company is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date and are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense or income is presented either in the income statement, the statement of comprehensive income or equity depending on the transaction that resulted in the tax expense or income. Where additional pension contributions paid relate to past actuarial losses, the deferred tax movement thereon is recorded in other comprehensive income.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Dividends

Dividends are only reflected in the financial statements to the extent that, at the statement of financial position date, they have been declared and paid or declared as a final dividend in a general meeting.

Foreign currencies

Transactions in foreign currencies are initially recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the income statement.

Foreign operations which are conducted through foreign branches are accounted for in accordance with the nature of the business operations concerned. Where such a branch operates as a separate business with local finance, it is accounted for using the closing rate method. Where the foreign branch operates as an extension of the company's trade and its cash flows have direct impact upon those of the company, the temporal method is used.

Operating leases

Rentals payable under operating leases are charged in the income statement on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Notes to the financial statements

at 31 December 2025

4. Principal accounting policies (continued)

Employee benefits

Short-term employee benefits and contributions to defined contribution pension plans are recognised as an expense in the period in which they are incurred.

Pensions

The company has operated a number of pension schemes in the UK which are described more fully in note 24. Pension costs charged against operating profit for the defined contribution scheme are the contributions payable in respect of the accounting period. The defined benefit scheme is now closed to future accrual of benefits and the surplus or deficit is determined by the actuary.

Scheme assets are measured at fair value. Fair value is based on market price information and in the case of quoted securities is the published bid price. Scheme liabilities are measured on an actuarial basis using the 'Projected Unit' method and are discounted at appropriate high-quality corporate bond rates. The surplus (if recognised) or deficit is presented separately from other assets and liabilities in the statement of financial position, with the corresponding deferred tax asset or liability disclosed within debtors or provisions for liabilities. A surplus is recognised only to the extent that it is recoverable by the company.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occurs, the changes in the present value of the scheme liabilities and the fair value of the plan assets reflect the gain or loss which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit asset or liability by the discount rate at the start of the period, taking into account any changes in the net defined benefit asset or liability during the period as a result of contribution and benefit payments. The net interest is recognised in the income statement as other finance income or cost. Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit asset or liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income or expense in the period in which they occur. Remeasurements are not reclassified to the income statement in subsequent periods.

Notes to the financial statements

at 31 December 2025

5. Gross revenue

Gross revenue is attributable to one continuing activity, the provision of consulting services.

Gross revenue by destination:	2025	2024
	£000	£000
Europe	877,652	849,593
Middle East and Africa	149,529	149,677
Americas	16,305	21,873
Asia	10,566	13,944
Australia and New Zealand	929	1,041
	1,054,981	1,036,128

6. Operating profit and other income

(a) Operating profit

This is stated after charging:	2025	2024
	£000	£000
Auditors' remuneration – audit services:		
– principal auditor for audit of company	685	692
– principal auditor for audit of UK-based subsidiary investments	43	42
– associates of principal auditor for audit of branches	98	96
	826	830

There were no non-audit services provided during the year (2024 – £nil).

Foreign exchange losses	2,312	2,667
Depreciation (note 13)	5,858	5,301
Amortisation of software (note 12)	684	1,666
Operating lease rentals – land and buildings	13,004	13,594

(b) Other income

	2025	2024
	£000	£000
Research and Development Expenditure Credit (RDEC)	907	7,362

Notes to the financial statements

at 31 December 2025

7. Directors' remuneration

	2025 £000	2024 £000
Emoluments (excluding pension contributions)	3,936	3,860

The emoluments above relate to 4 directors in the year ended 31 December 2025 (2024 – 4).

The emoluments (excluding pension contributions) of the highest paid director were £1,143,091 (2024 – £1,099,419).

During the year, £57,995 (2024 – £66,583) of contributions were paid to defined contribution pension plans in respect of 3 directors (2024 – 3), of which £9,221 (2024 – £8,952) related to the highest paid director. Some of these directors also have benefits under the closed defined benefit section of the Mott MacDonald Pension Scheme ('MMPS'). The accrued annual pension at 31 December 2025 of the highest paid director was £13,308 (2024 – £12,528).

MMPS provides an option to commute part of this pension for a lump sum, which amounted to £66,371 at 31 December 2025 (2024 – £64,410) for the highest paid director. The lump sum is calculated in accordance with HM Revenue & Customs rules using a scheme-specific formula.

8. Staff costs

	2025 £000	2024 £000
Salaries	505,020	492,830
Social security costs	62,888	55,155
Other pension costs (defined contribution schemes)	79,776	76,361
	647,684	624,346

The average number of persons employed by the company (including directors) during the year was made up as follows:

	No.	No.
Management	918	912
Technical staff	6,777	6,637
Administrative staff	924	1,004
	8,619	8,553
The actual number of permanent staff at 31 December was:	8,719	8,554

Notes to the financial statements

at 31 December 2025

9. Net interest receivable

	2025 £000	2024 £000
Interest receivable:		
Interest due from parent undertaking	12,801	19,342
Interest due from fellow subsidiary undertakings	4,773	5,403
Bank interest	9,595	9,387
	27,169	34,132
Interest payable:		
Interest due to parent undertaking	(994)	(3,270)
Interest due to fellow subsidiary undertakings	(1,318)	(1,200)
Other interest	(24)	(8)
	(2,336)	(4,478)
Net interest receivable	24,833	29,654

10. Tax

(a) Tax on profit on ordinary activities

	2025 £000	2024 £000
The taxation charge is made up as follows:		
Current tax:		
UK corporation tax	7,760	10,854
Non-UK tax	1,588	2,179
	9,348	13,033
Adjustments in respect of previous years:		
UK corporation tax	1,287	152
Non-UK tax	(498)	(173)
Total current tax	10,137	13,012
Deferred tax:		
Origination and reversal of timing differences	1,837	2,772
Adjustments in respect of previous years	(400)	(81)
Total deferred tax charge (note 10(c))	1,437	2,691
Tax on profit on ordinary activities (note 10(b))	11,574	15,703

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive expense is a credit of £625,000 (2024 – £2,100,000 credit).

Notes to the financial statements

at 31 December 2025

10. Tax (continued)

(b) Factors affecting tax charge for the year

The tax provided for the year is lower (2024 – lower) than the amount computed at the standard rate of corporation tax in the UK of 25% (2024 – 25%). The differences are explained below.

	2025	2024
	£000	£000
Profit on ordinary activities before taxation	55,748	84,709
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 25% (2024 – 25%).	13,937	21,177
Effects of:		
Net lower tax on non-UK branch earnings	(163)	(717)
Adjustments in respect of previous years	389	(102)
Non-taxable expense/(income) – (foreign exchange on non-UK branches)	32	(3)
Non-taxable income (UK dividends received)	(1,689)	(1,000)
Expenses not deductible for tax purposes	1,899	1,197
Group reliefs	(6,064)	(6,952)
Other permanent differences	3,233	2,103
Tax on profit on ordinary activities (note 10(a))	11,574	15,703

Adjustments in respect of previous years include the effects of changes in tax legislation or interpretations and revisions of estimates used in establishing prior year tax provisions.

Other permanent differences include permanent tax reliefs and non-deductible items.

The items listed above, which explain why the tax charge for the current year is lower than the standard corporation tax rate in the UK, are likely to impact on tax charges of future years as well, although their exact quantum will vary with time and circumstances.

The company has no tax losses in the current year (2024 – £nil) that are available indefinitely for offset against future taxable profits in those countries in which the losses arose.

Notes to the financial statements

at 31 December 2025

10. Tax (continued)

(c) Deferred tax

	2025	2024
	£000	£000
The deferred tax included in the statement of financial position is as follows:		
Included in debtors (note 15)	1,632	2,437
Included in provisions (note 19)	(129)	(112)
	1,503	2,325
The elements of deferred taxation are as follows:		
Excess of tax allowances on fixed assets over book depreciation	1,004	1,671
Other timing differences	499	654
	1,503	2,325
The movement in the year was:		
At 1 January	2,325	6,033
Deferred tax charge recognised in the income statement (note 10(a))	(1,437)	(2,691)
Deferred tax credit/(charge) recognised in the statement of comprehensive income		
– on net actuarial loss on pension scheme (note 21)	1,500	225
– on defined benefit pension contributions made during the year	–	(3,122)
– on change in restriction of pension asset recognised (note 21)	(875)	1,875
Exchange and other adjustments	(10)	5
At 31 December	1,503	2,325

The amount of the net reversal of deferred tax expected to occur next year is £1,066,000 (2024 – £1,230,000).

(d) International tax reform (OECD Pillar Two)

The company monitors income tax developments in all jurisdictions where it operates, including the OECD's Base Erosion and Profit Shifting ('BEPS') Pillar Two initiative, which introduces a 15% global minimum tax for large multinationals. Legislation enacted in the UK (Finance (No. 2) Act 2023) has implemented these rules through a Multinational Top-up Tax and a Domestic Top-up Tax, effective for accounting periods beginning on or after 31 December 2023. The first period, to which the Pillar Two rules applied to the company, was the year ending 31 December 2024.

For the year ending 31 December 2025, the company does not expect any material increase in tax liabilities as a result of the Pillar Two rules. In assessing the impact, the company performed an analysis under the transitional safe harbour provisions issued by the OECD. Based on this analysis, most jurisdictions in which the company operates are expected to meet the safe-harbour thresholds, and only a small number of jurisdictions have been identified as likely to require full Pillar Two computations for 2025. Preliminary estimates indicate that any additional top-up tax in those jurisdictions would not be material to the company's financial statements.

Notes to the financial statements

at 31 December 2025

10. Tax (continued)

(d) International tax reform (OECD Pillar Two) (continued)

In line with prevailing accounting guidance, the company has not recognised any deferred tax assets or liabilities related to potential Pillar Two top-up taxes. The company has applied the temporary exception for Pillar Two enacted by the Financial Reporting Council (through amendments to FRS 102 in July 2023) which exempts companies from accounting for deferred tax on Pillar Two and from disclosing related deferred tax information. The company will continue to monitor ongoing developments — including the introduction of any Qualified Domestic Minimum Top-up Taxes in relevant jurisdictions and the scheduled phase-in of the Under-Taxed Profits Rule (UTPR) in the UK — and will update its disclosures in future reporting periods as required.

11. Dividends

The following dividends were paid during the year:

	2025	2024
	£000	£000
Interim dividend paid	10,000	13,500

12. Intangible fixed assets

2025	Goodwill £000	Software £000	Total £000
Cost:			
At 1 January	2,496	24,749	27,245
Disposals	–	(3,021)	(3,021)
At 31 December	2,496	21,728	24,224
Amortisation:			
At 1 January	2,496	23,313	25,809
Provided during the year	–	684	684
Disposals	–	(3,021)	(3,021)
At 31 December	2,496	20,976	23,472
Net book value:			
At 31 December	–	752	752
At 1 January	–	1,436	1,436

Notes to the financial statements

at 31 December 2025

13. Tangible fixed assets

2025

	Motor vehicles £000	Fixtures, fittings & equipment £000	Total £000
Cost:			
At 1 January	83	47,235	47,318
Exchange adjustments	(5)	(302)	(307)
Additions	–	7,271	7,271
Disposals	–	(12,640)	(12,640)
At 31 December	78	41,564	41,642
Depreciation:			
At 1 January	83	30,021	30,104
Exchange adjustments	(5)	(275)	(280)
Provided during the year	–	5,858	5,858
Disposals	–	(12,619)	(12,619)
At 31 December	78	22,985	23,063
Net book value:			
At 31 December	–	18,579	18,579
At 1 January	–	17,214	17,214

Notes to the financial statements

at 31 December 2025

14. Fixed asset investments

2025	Investment in parent undertaking at fair value £000	Investments in subsidiary undertakings at cost £000	Other fixed asset investments at cost £000	Total £000
At 1 January	18,053	66,075	275	84,403
Additions	18,632	–	–	18,632
Disposals	(483)	–	–	(483)
Fair value adjustments	1,799	–	–	1,799
At 31 December	38,001	66,075	275	104,351
Amounts provided:				
At 1 January	–	3,374	275	3,649
Provided	–	6,106	–	6,106
At 31 December	–	9,480	275	9,755
Net book value:				
At 31 December	38,001	56,595	–	94,596
At 1 January	18,053	62,701	–	80,754

Other fixed asset investments are those assets which do not meet the criteria for being accounted as subsidiary undertakings, associates or joint ventures. The principal activity of the businesses comprising other fixed asset investments is that of consulting engineers.

The profit on disposal of shares in the parent undertaking was £nil (2024 – £nil).

The historical cost of the investment in the parent undertaking is £35,374,000 (2024 – £17,113,000).

Notes to the financial statements

at 31 December 2025

14. Fixed asset investments (continued)

Subsidiary undertakings and other fixed asset investments

A full list of undertakings is given below:

Name of undertaking	% held of ordinary share capital 2025	Registered office key
Subsidiary undertakings		
Bentley Holdings Limited	100	A
Cambridge Education Associates Limited	100	B
Courtyard Group UK Limited ²	100	B
Franklin & Andrews International Limited	100	B
Fulcrum First Limited	100	B
HLSP Limited	100	B
JBA Bentley Limited ¹	75	A
J.N. Bentley Limited ¹	100	A
Mott MacDonald Bentley Limited ¹	100	A
Mott MacDonald Colombia SAS	100	C
Multi Design Consultants Limited	100	B
Osprey PMI Limited ²	100	B
Schema Associates Limited ²	100	B
Other fixed asset investments		
BMM JV Limited	50	D
M2 (Water) LLP	50	B

¹ investment held wholly or partly through subsidiary undertaking

² in process of deregistration

All of these undertakings have coterminous year ends of 31 December with the exception of Courtyard Group UK Limited, Osprey PMI Limited and Schema Associates Limited which have 30 June period ends in order to coordinate deregistration procedures.

Registered Office

Snaygill Industrial Estate, Keighley Road, Skipton, North Yorkshire BD23 2QR, United Kingdom	A
10 Fleet Place, London EC4M 7RB, United Kingdom	B
Carrera 14 No. 89-48, Oficina 403, Edificio Novanta, Bogota D.C., Colombia	C
Second Floor, Block A, Spectrum Point 279, Farnborough Road, Farnborough, Hampshire GU14 7LS	D

Notes to the financial statements

at 31 December 2025

15. Debtors

	2025	2024
	£000	£000
Trade debtors	94,872	84,480
Contract assets	78,017	75,045
Amount owed by parent undertaking	155,000	185,000
Amounts owed by fellow subsidiary undertakings	54,464	85,860
Deferred taxation (note 10(c))	1,632	2,437
Taxation recoverable	4,157	6,573
Other debtors	16,293	21,264
Prepayments	45,803	41,017
	450,238	501,676

Trade debtors are shown net of a provision for impairment of £14,731,000 (2024 – £20,758,000).

Amount owed by parent undertaking of £155,000,000 is a loan from Mott MacDonald Limited to Mott MacDonald Group Limited. Interest on this loan is charged at a rate based on the three-month average SONIA rate plus a margin.

The intention is that amounts owed by parent undertaking and fellow subsidiary undertakings will not be called up at short notice if doing so would mean that the parent or subsidiary undertaking would be unable to meet its liabilities as they fall due.

Deferred taxation recoverable after more than one year amounts to £566,000 (2024 – £1,207,000).

16. Current asset investments

	2025	As restated 2024
	£000	£000
At 1 January	162,005	120,262
Exchange adjustments	(421)	(52)
Additions	1,108,854	981,252
Redemptions	(1,095,535)	(939,457)
At 31 December	174,903	162,005

Current asset investments held at amortised cost are term deposits with original maturities of less than one year.

At the statement of financial position date, deposits with original maturities of less than three months totalled £44,903,000 (2024 – £48,005,000) and deposits with original maturities between three and 12 months totalled £130,000,000 (2024 – £114,000,000). The average maturity of the deposits held at the year end was seven months (2024 – six months). The average interest rate was 3.54% (2024 – 4.25%).

Having reviewed the terms and conditions relating to redemption of term deposits, it is deemed more appropriate to treat such balances as current asset investments rather than cash at bank and in hand. The prior year figures have therefore been restated to reclassify these amounts from cash at bank and in hand to current asset investments which are held at amortised cost on the basis that they are basic financial instruments.

Notes to the financial statements

at 31 December 2025

17. Creditors: amounts falling due within one year

	2025	2024
	£000	£000
Contract liabilities	108,438	101,870
Amount due to parent undertaking	37,063	26,997
Amounts due to fellow subsidiary undertakings	27,821	27,502
Trade creditors	21,768	30,239
Current UK corporation tax	2,081	140
Non-UK taxation	7,605	9,314
Other taxes	11,450	9,440
Social security	14,809	12,293
Other creditors	26,606	17,270
Accruals	144,838	125,851
	402,479	360,916

Interest is paid on amounts owed to parent and fellow subsidiary undertakings, where applicable, based on the three-month average SONIA rate plus a margin or the three-month average reference rate respectively.

18. Obligations under leases

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Land and buildings	
	2025	2024
	£000	£000
Amounts payable:		
Within one year	10,051	7,935
In two to five years	52,727	33,685
Over five years	88,204	70,068
	150,982	111,688

19. Provisions for liabilities

2025	Provisions for losses on contracts £000	Deferred taxation note 10(c) £000	Other provisions £000	Total £000
At 1 January	9,215	112	11,296	20,623
Exchange adjustments	(525)	8	–	(517)
Arising during the year	4,102	9	389	4,500
Reversed during the year	(341)	–	(807)	(1,148)
Utilised	(3,541)	–	(1,699)	(5,240)
At 31 December	8,910	129	9,179	18,218

Notes to the financial statements

at 31 December 2025

19. Provisions for liabilities (continued)

Other provisions are mainly in respect of outstanding claims. These claims generally result from disputes on projects with clients or other parties relating to our work done. These claims are settled, where applicable, via remediation works or by the payment of monetary amounts.

Due to the nature of provisions for losses on contracts and other provisions, the timing of their utilisation varies with the size and complexity of the underlying facts and circumstances. It is not unusual for such matters to take three to five years to be resolved. A reasonable expected range of potential outcomes would not materially impact the provisions.

20. Share capital

Allotted, called up and fully paid

	2025 No.	2024 No.	2025 £000	2024 £000
Ordinary shares of £1 each	10,000,000	10,000,000	10,000	10,000

Pursuant to a board meeting held on 8 December 2025, the company carried out a bonus issue of shares by capitalising £30m (2024 – £15m) from the company's profit and loss reserve (the 'capitalisation'); and applying the sum of the capitalisation to pay up in full 30m ordinary shares of £1 each (2024 – 15m) in the capital of the company.

Pursuant to a board meeting held on 9 December 2025, the company carried out a reduction of capital in the company, in the amount of £30m (2024 – £15m), by reducing the company's issued share capital by £30m from £40m (comprising 40m ordinary shares of £1 each) to £10m (comprising 10m ordinary shares of £1 each) by cancelling and extinguishing 30m of such issued ordinary shares of £1 each; and by returning the amount arising upon the reduction of capital to Mott MacDonald Group Limited, as an aggregate capital repayment of £30m.

21. Reserves

Profit and loss account	2025 £000	2024 £000
At 1 January	497,026	464,327
Profit on ordinary activities after taxation	44,174	69,006
Dividends (note 11)	(10,000)	(13,500)
Distributions to fellow subsidiary undertakings	–	(1,507)
Bonus issue of shares (note 20)	(30,000)	(15,000)
Net actuarial loss on pension scheme (note 24)	(6,000)	(900)
Tax on net actuarial loss (note 10(c))	1,500	225
Change in restriction of pension asset recognised – gross	3,500	(7,500)
Change in restriction of pension asset recognised – tax thereon (note 10(c))	(875)	1,875
At 31 December	499,325	497,026

Included in this profit and loss account is an undistributable profit of £57,190,000 relating to the profit on transfer of the company's investment in Mott MacDonald International Limited in 2005 to Mott MacDonald Group Limited at market value.

Notes to the financial statements

at 31 December 2025

22. Capital commitments

There were no capital commitments contracted and not provided for in the financial statements.

23. Contingent liabilities

	2025	2024
	£000	£000
Guarantee of bank loans and overdrafts in respect of other group companies	9,277	9,981

In addition, in the normal course of business, down payment, performance and tender bonds have been given by the company. In the opinion of the directors, these are not expected to give rise to any significant liability. There are no contingent liabilities at the year end in relation to bonds (2024 – £nil).

The company is a party to claims and litigation arising in the normal course of operations. Due to the inherent uncertainties of litigation or the early stage of certain proceedings, it is not possible to predict the final outcome of all ongoing claims and litigation at any given time or to determine the amount of potential losses, if any. The company monitors all claims and takes out appropriate insurance to mitigate its risk. Provisions for such claims made at the statement of financial position date are set out in note 19.

There are no contingent liabilities at the year end in relation to claims where, in the event the company is found liable, material exposure, individually or in aggregate, exists (2024 – £nil). Due to the nature of these matters, the timing of their resolution varies with the size and complexity of the underlying facts and circumstances. It is not unusual for such matters to take three to five years to be resolved.

24. Pensions and other retirement benefits

The company has operated a number of pension schemes in the UK. The Mott MacDonald Pension Scheme ('MMPS') is trust based which, from 1 January 2001 until 31 December 2011, had both defined benefit and defined contribution sections. On 1 May 2000, the defined benefit section was closed to new entrants. From 1 January 2001, all members were transferred to the defined contribution section. This section was contracted into the State Second Pension, formerly known as the State Earnings Related Pension Scheme ('SERPS') and was closed to new members on 31 December 2004.

From 1 January 2005, new employees were entitled to join the Mott MacDonald Stakeholder Pension Scheme, a contract based scheme. From 1 April 2011, all stakeholder members were transferred to the Group Personal Pension Plan ('GPP').

From 1 January 2012, all defined contribution members were transferred to the GPP. Contribution structures in MMPS continued in the GPP. From 1 January 2012, all active defined benefit members were made deferred by removing the salary link and offering sliding scale enhancements to their pensions.

From 1 June 2017, all active GPP members were transferred to a Master Trust and new employees are now contractually enrolled into the Master Trust. The minimum Master Trust employee contribution level is 4.5%.

On 31 December 2021, the J.N. Bentley Pension and Life Assurance Scheme ('JNBPS') was merged with MMPS. JNBPS was a defined benefit scheme which was sponsored by J.N. Bentley Limited, a wholly owned subsidiary of the Bentley Holdings Limited group, and which was also closed to new members and future accrual of benefits.

Notes to the financial statements

at 31 December 2025

24. Pensions and other retirement benefits (continued)

The company contributes to the Master Trust, at the rates specified in the rules of the scheme. From 1 January 2014, all new employees are contractually enrolled. To comply with auto-enrolment law, all current employees who were not in the GPP were contractually enrolled in May 2016, and subsequently re-enrolment exercises were carried out in the Master Trust in May 2019, May 2022 and May 2025. Total pension contributions were £78.1m (2024 – £73.4m).

MMPS is funded by means of assets which are held in trustee-administered funds, separated from the company's own resources. The contributions to MMPS are determined with the advice of an independent qualified actuary on the basis of triennial valuations using the 'Projected Unit' method and a funding agreement between the trustee and the company. Members' pensions were increased during the year according to the rules of MMPS.

The following key assumptions were used to assess the funding level at the last actuarial valuation:

Date of valuation	1 January 2024
Future investment return per annum – pre-retirement	Discount rate yield curve*
– post-retirement	Discount rate yield curve*

* This is equal to the yield on UK Government fixed interest gilts at different terms on the yield curve, with an outperformance allowance of 0.5% for all terms.

At the last actuarial valuation on 1 January 2024, the market value of assets was £508m and the level of funding based on market value of assets was 103%. The level of funding is the value of the assets expressed as a percentage of MMPS liabilities after allowing for revaluation of benefits to normal pension date.

The valuation position of MMPS was updated to 31 December 2025 by a qualified independent actuary for the purpose of producing these financial statements in accordance with FRS 102.

It should be noted that the calculations and methods under FRS 102 are different from those used by the actuary to determine the funding level of MMPS. The company and the trustee regularly review the funding level of MMPS with the advice of the actuary.

During 2025, no contributions were paid to MMPS in accordance with current funding plan and none are currently intended in 2026.

In June 2023, the UK High Court (*Virgin Media Limited v NTL Pension Trustees II Limited*) ruled that certain historical amendments for contracted-out defined benefit pension plans were invalid if they were not accompanied by the correct actuarial confirmation. The Court of Appeal upheld this ruling in July 2024, but there remained material uncertainty in relation to the legal position itself and the application of the ruling.

The Government confirmed in June 2025 that it intended to introduce legislation dealing with the issues arising from the Virgin Media case and on 1 September 2025 issued amendments to the Pension Schemes Bill, which will enable schemes to retrospectively obtain an actuarial certification. However, at this time, the Pension Schemes Bill is yet to come into force and whilst accompanying actuarial guidance has been issued in draft form, final guidance will only be issued once the legislation has come into force. It is also the case that judgment is awaited in a High Court case which may provide further clarity on the Virgin Media issues. The Group has discussed the ruling with the trustee and its potential implications for the UK pension scheme.

Notes to the financial statements

at 31 December 2025

24. Pensions and other retirement benefits (continued)

The trustee continues to consider this matter together with its professional advisers. The trustee is monitoring developments in relation to the Pension Schemes Bill, actuarial guidance and/or case law and the Group will maintain a dialogue with the trustee and its advisers on this matter. The trustee will continue to monitor the situation to confirm when action can be taken in the future as circumstances evolve.

The assets and liabilities of MMPS are analysed below:	2025	2024
	£m	£m
Change in defined benefit obligation		
Defined benefit obligation at 1 January	(418.0)	(470.2)
Interest cost on MMPS liabilities	(22.1)	(20.9)
Actuarial (losses)/gains on MMPS liabilities	(3.6)	43.0
Benefits paid	31.7	30.1
Defined benefit obligation at 31 December	(412.0)	(418.0)
Analysis of defined benefit obligation		
Plans that are wholly or partly funded	(412.0)	(418.0)
Change in plan assets		
Fair value of plan assets at 1 January	463.5	508.2
Interest income on MMPS assets	24.6	22.8
Actuarial losses on MMPS assets	(2.4)	(43.9)
Employer contributions	–	6.5
Benefits paid	(31.7)	(30.1)
Fair value of plan assets at 31 December	454.0	463.5
Pension asset (excluding tax)	42.0	45.5
Pension surplus not recognised (excluding tax)**	(42.0)	(45.5)
Pension asset recognised in the statement of financial position (excluding tax)	–	–

** Since the company does not have an unconditional right to the surplus, the pension asset has not been recognised.

Components of pension (cost)/income

Year to 31 December	2025	2024
	£m	£m
Interest cost on MMPS liabilities	(22.1)	(20.9)
Interest income on MMPS assets	24.6	22.8
Net pension interest recognised as other finance income in the income statement	2.5	1.9
Actuarial (losses)/gains on MMPS liabilities	(3.6)	43.0
Actuarial losses on MMPS assets	(2.4)	(43.9)
Net actuarial losses recognised in other comprehensive expense	(6.0)	(0.9)

Notes to the financial statements

at 31 December 2025

24. Pensions and other retirement benefits (continued)

Plan assets

The weighted average asset allocation at the year end was as follows:	2025	2024
	%	%
Asset category		
Liability driven investment	99.0	94.7
Cash and other	0.7	1.4
Corporate bonds	0.3	3.9
	100.0	100.0

Actual return on plan assets

Year to 31 December	2025	2024
	£m	£m
Interest income on MMPS assets	24.6	22.8
Actuarial losses on MMPS assets	(2.4)	(43.9)
Actual return on plan assets	22.2	(21.1)

The key financial assumptions used to determine the pension asset or liability at 31 December are:

	2025	2024
	%	%
Discount rate for MMPS liabilities	5.5	5.5
RPI inflation	2.7	3.1
Pension increases (inflationary increases with a maximum of 5% p.a.)	2.4	2.5
CPI inflation	2.3	2.5
Salary increases	n/a	n/a

Weighted average life expectancy for mortality tables used to determine benefit obligations for MMPS at 31 December:

	2025		2024	
	Male Years	Female Years	Male Years	Female Years
Member age 60 (current life expectancy)	27.6	29.5	27.3	29.4
Member age 40 (life expectancy at age 60)	28.3	30.5	28.0	30.4

Sensitivity to the significant actuarial assumptions

Comparatively small changes in the assumptions used for measuring the defined benefit obligations for MMPS may have a significant effect on the company's income statement and statement of financial position.

The following table shows the sensitivity of the defined benefit pension obligations to reasonably possible changes in the key assumptions underlying the valuation, with all other assumptions remaining unchanged.

Change in assumption	Impact on MMPS liabilities
0.1% decrease in discount rate	increase in obligations in the range 0.5% to 1.0%
0.1% increase in inflation rates	increase in obligations in the range of 0% to 0.5%
1 year increase in life expectancy	increase in obligations in the range of 4.0% to 4.5%

Notes to the financial statements

at 31 December 2025

25. Related party transactions

The company has taken advantage of the provisions in Section 33.1A of FRS 102 which exempts subsidiary undertakings from disclosing transactions with other wholly owned subsidiary undertakings within the Group.

The company did not undertake any sales to, or purchases from, non-wholly owned fellow subsidiary undertakings during the year (2024 – sales £1,001,000; purchases £310,000). There were no outstanding balances with these undertakings at 31 December 2025 (2024 – £nil).

During the year, the company made sales of £15,237,000 (2024 – £16,219,000) to joint ventures. The net balance owed by joint ventures at 31 December 2025 was £71,000 (2024 – £169,000).

26. Financial assets and liabilities

	Notes	2025 £000	As restated 2024 £000
Financial assets at fair value through profit or loss			
Investment in parent undertaking	14	38,001	18,053
Financial assets that are debt instruments measured at amortised cost¹			
Trade debtors	15	94,872	84,480
Amount owed by parent undertaking	15	155,000	185,000
Amounts owed by fellow subsidiary undertakings	15	54,464	85,860
Other debtors	15	16,293	21,264
Current asset investments ²	16	174,903	162,005
Financial liabilities measured at amortised cost¹			
Trade creditors	17	21,768	30,239
Amount due to parent undertaking	17	37,063	26,997
Amounts due to fellow subsidiary undertakings	17	27,821	27,502
Other creditors	17	26,606	17,270

¹ Amortised cost is the amount at which a financial asset or financial liability is measured at initial recognition, less principal repayments and plus or minus any unamortised original premium or discount (calculated using the effective interest method).

² As described in note 16, term deposits are now shown in current asset investments held at amortised cost rather than in cash at bank and in hand.

Five-year summary

Pages 68 and 69 do not form part of the audited financial statements.

Years ended 31 December	2025 £000	2024 £000	2023 £000	2022 £000	2021 £000
Gross revenue	1,054,981	1,036,128	997,014	911,028	787,195
Operating profit	25,060	44,062	28,360	61,305	52,722
Profit on ordinary activities before taxation	55,748	84,709	64,403	79,714	59,730
Tax on profit on ordinary activities	(11,574)	(15,703)	(12,591)	(13,220)	(7,999)
Profit on ordinary activities after taxation	44,174	69,006	51,812	66,494	51,731
Total other comprehensive (expense)/income	(1,875)	(6,300)	(16,295)	(16,443)	5,759
Total comprehensive income for the year	42,299	62,706	35,517	50,051	57,490
Distributions and capital items					
– Dividends	(10,000)	(13,500)	(12,750)	(7,500)	(5,000)
– Distributions to fellow subsidiary undertakings	–	(1,507)	–	–	–
– Bonus issue of shares	(30,000)	(15,000)	–	–	–
Retained reserves	2,299	32,699	22,767	42,551	52,490
Statement of financial position					
Fixed assets	113,927	99,404	97,127	96,248	97,720
Current assets	816,095	789,161	796,610	793,030	680,968
Creditors: amounts falling due within one year	(402,479)	(360,916)	(397,308)	(424,990)	(365,498)
Net current assets	413,616	428,245	399,302	368,040	315,470
Total assets less current liabilities	527,543	527,649	496,429	464,288	413,190
Provisions for liabilities	(18,218)	(20,623)	(22,102)	(12,728)	(4,181)
Net assets	509,325	507,026	474,327	451,560	409,009
Capital and reserves					
Called up share capital	10,000	10,000	10,000	10,000	10,000
Profit and loss account	499,325	497,026	464,327	441,560	399,009
Shareholders' equity	509,325	507,026	474,327	451,560	409,009
Net funds*					
Cash at bank and in hand	190,954	125,480	130,822	113,932	187,573
Deposits – original maturities less than three months	44,903	48,005	3,922	5,000	–
Net funds excluding deposits with original maturities over three months	235,857	173,485	134,744	118,932	187,573
Deposits – original maturities between three and 12 months	130,000	114,000	116,340	129,409	–
Net funds including deposits with original maturities over three months	365,857	287,485	251,084	248,341	187,573

* Net funds for 2024 and earlier have been restated to separately identify term deposits with original maturities less than three months and term deposits with original maturities between three and 12 months from cash at bank and in hand.

Group risk summary for Mott MacDonald Group



Risk category	Principal risks	Risk description (from treatment plans)	Impact	Risk treatment	Threat perception
Financial	Financial Health and Economic Uncertainty	The risk that Mott MacDonald will be unable to manage the negative impact of risks to its operational cashflow.	Inability to meet revenue targets and achieve strategic objectives.	Continued engagement with clients about markets and focus on diverse opportunities. Regional recession resilience plans in place and regularly updated.	⊖
Legal and Compliance	Ethics and Regulatory Compliance	The risk of a regulatory compliance breach, e.g. corruption/bribes, fraud, conflicts of interest, anti-trust and competition, trade compliance, privacy and data protection, other illegal acts and inappropriate government relations. Lack of an ethical culture driven by our PRIDE values.	Reputational damage, fines, claims and loss of business.	Delivery and embedment of Ethics and Compliance Programme, which includes Our Code, policies, declarations, channels for reporting and investigations. These programmes prevent, detect and respond to misconduct, build an ethical culture and ensure compliance with the law.	⊖
	Information Security	The risk that data might fail to meet the applicable standards for quality, accessibility, and protection against loss, tampering, inappropriate access, and disclosure, as mandated by confidentiality, legal, regulatory, contractual and operational obligations, such as unlawful processing, over-retention and inappropriate storage.	Reputational damage, fines, claims, disputes and a negative impact on the culture of the organisation.	Strengthen data management governance, policy and process. Set adequate classifications and permissions management system audits.	⊖
Strategic	Portfolio	The risk that Mott MacDonald will become overly dependent on specific geographic markets, sub-sectors, services or client quality.	Lack of presence in growth markets and lost business opportunities.	The Practice Network and Market Leaders review size and profitability of work in key markets and track trends over time.	⬆
	Climate Change	The risk that Mott MacDonald will fail to respond effectively to fast-evolving requirements driven by climate change on our projects, markets and operations.	Decline in revenue, loss of growth opportunities and reputational damage.	Continually enhance climate change competencies and strengthen governance of physical climate risks. Proactively monitor evolving climate-related regulations, standards and best practices. Conduct climate transition and physical risks scenario analysis.	⊖
	Reputation	The risk that the organisation does not monitor and actively manage its reputation to enhance competitiveness and visibility in key markets.	Loss of revenue, litigation, brand deterioration or loss of stakeholder confidence.	Review and update of relevant processes, brand and media guidelines and response plans. Increase in listening and benchmarking capability.	⊖
	Market Share	The risk that market changes impact Mott MacDonald's relevance positively or negatively. The risk is particularly around external events/actions affecting market share and size.	Inability to meet revenue targets and loss of market presence.	Review of new developments in markets. Account Leaders and Business Development Managers collaborate to maintain relationships with clients and monitor the market.	⊖
Talent Management	Succession	The risk of not having future-informed succession plans for the leaders delivering our Group strategy and for critical roles. 'Leaders' in this definition means employees at Unit executive level and up plus technical leadership.	Adverse impact on technical excellence, project delivery and organisation culture.	Implementation of Leadership Development Initiatives, Performance Management Programmes and Development Pathways for successors.	⊖
	Compensation and Reward	The risk that Mott MacDonald's reward model may not be sustainable in the long term to enable us to recruit, attract and retain the talent required to ensure the future success of the business.	Failure to attract talent, failure to retain talent and employee dissatisfaction.	Regular global benchmarking and review of global reward approach.	⬇
	Equality, Diversity and Inclusion	The risk that Mott MacDonald may not adequately include and diversify its workforce at all levels to meet internal goals and external requirements.	Adverse impact on ability to bid for work, loss of reputation, employee dissatisfaction and deteriorating retention.	Improve data gathering capabilities and determine key metrics; communicate key EDI health and safety considerations; develop a global EDI comms plan; and update the Group EDI strategy.	⬇
	Capacity and Capability	The risk that Mott MacDonald does not have the right skills to go on the right projects to fulfil our client requirements. The risk that we do not develop existing skills in line with operational efficiency and future delivery model.	Adverse impact on project delivery, culture, business pipeline and management of business operations.	Processes that support clear leadership incentives, strategic resourcing, resource management and succession planning.	⊖
Technology	New Technology Adoption	The risk that Mott MacDonald fails to adopt new technology or develop new digital services to achieve or sustain competitive advantage in products, services and processes. (New = new to Mott MacDonald; Technology = digital and broader e.g. engineering tools and techniques)	Technical obsolescence, erosion in efficiency and inability to bring new digital services to market.	The Digital Delivery Programme is accountable for delivering digital product, services and business models.	⊖
	Cyber Security	Potential harm, financial loss, or reputational damage resulting from failures, vulnerabilities, threats, or attacks on digital assets, data and information systems belonging to Mott MacDonald or associated third parties.	Business disruption, reputational damage, loss of data and business.	Training and cultural awareness, enhancement of Group information security procedures and security of data.	⊖



Engineering.
Management.
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