2020
ANNUAL REPORT & ACCOUNTS

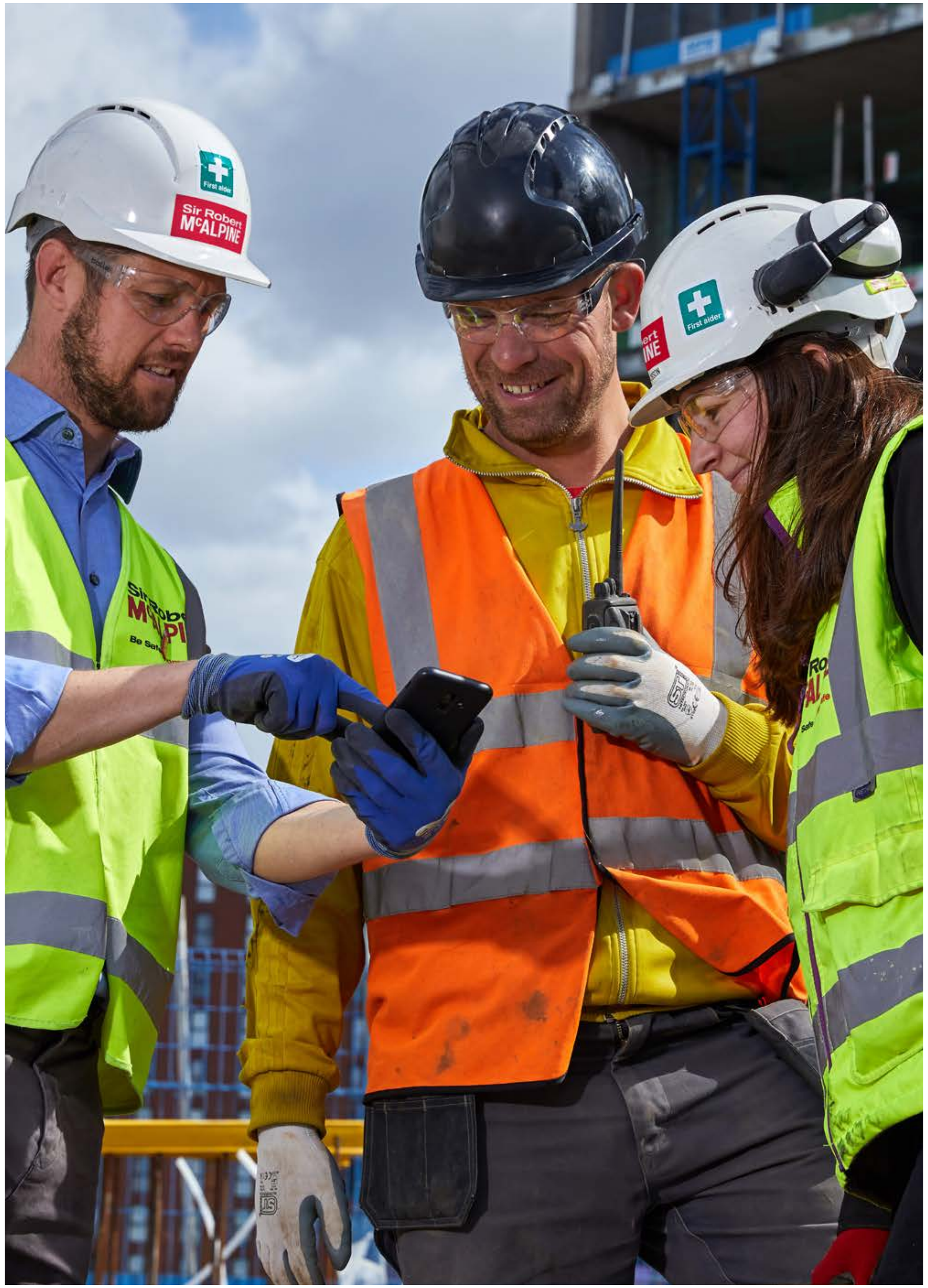
Sir Robert McALPINE

Contents

Cover image: Sunrise over our Battersea Phase 3A project in London
Photograph courtesy of Nick Redman

Maggie's at The Royal Marsden, Surrey

Our people have been exemplary ambassadors of our values



Living by our values

A statement from our Chair, Edward McAlpine

Over 152 years of 'proudly building Britain's future heritage', our strong values have carried us successfully through extreme challenges.

We started this year in a robust financial position with clear evidence that our business strategy was well bedded in and reaping the planned outcomes.

The emergence of Covid-19 has created a particularly challenging operating environment for the business and our people.

We acted to put plans in place to protect our people's safety, first and foremost.

Whilst the pandemic has understandably affected this year's performance, we have learned valuable lessons and we have used this time to reorganise the business to further increase our resilience.

The medium-term outlook is encouraging, which, combined with a healthy pipeline of work, gives us confidence for the future.

I am keen to emphasise how our people have once again been exemplary ambassadors of our values. They have treated each other like family, showing compassion and kindness at every opportunity whilst actively volunteering to support their communities.

They have been responsible, always seeking to put people's safety first.

They have delivered engineering excellence in the most demanding conditions, building essential infrastructure to support the UK's efforts in the fight against Covid-19.

They have been enterprising, collaborating and developing innovative solutions to allow work to resume on site, safely and at pace.

Finally, they have been honourable, enduring personal sacrifices for the long-term resilience of the business.

Overcoming a challenging year

A statement from our Chief Executive, Paul Hamer

This unpredictable financial year has been incredibly challenging for our people, our industry, the wider economy and society at large. Yet, despite this, we remain optimistic for a brighter future.

Our optimistic outlook is built on both the hard lessons learned during the pandemic and the sheer brilliance of our people innovating each day to keep our projects delivering safely. This has helped us to forge strengthened relationships with our clients and supply chain partners.

This year, amidst an everchanging landscape, we have held steadfast. We have remained focused on our people, on our projects, and on the implementation of the five-year strategy that we agreed back in 2019. This robust strategy which creates greater sector focus for the business has also bolstered a healthy pipeline of work.

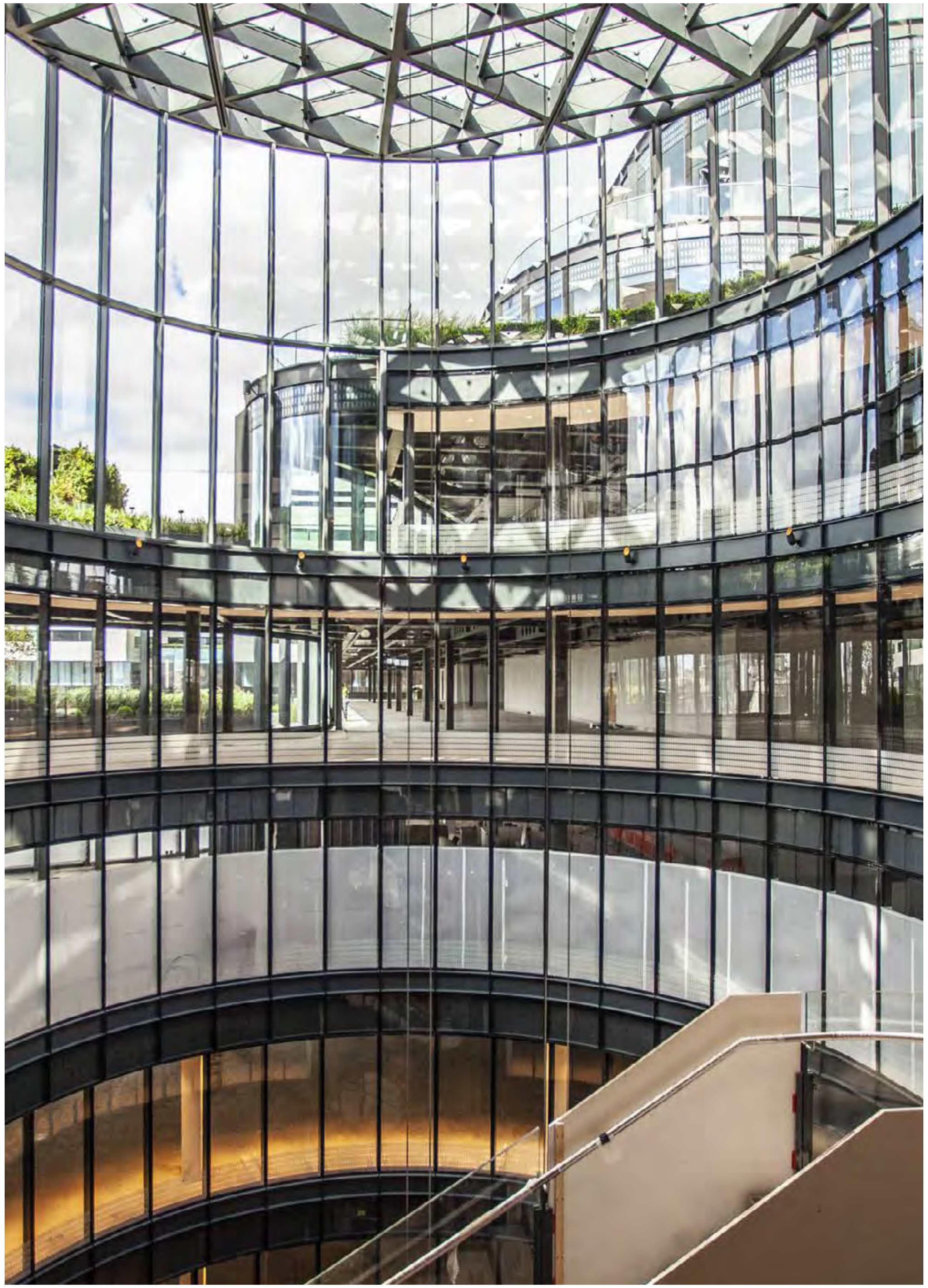
At our core we are a company of problem-solvers and we have used this strength to overcome our challenges so that we could best serve our clients through what have been uncertain times.

Throughout the crisis, our people have lived up to the values and strong ethos of care, support, and excellence that have characterised this family-run business for more than 150 years. Their resilience, compassion and innovative spirit have been unwavering and outstanding.

More than ever, we remain committed to becoming the Best Place to Work, placing Sir Robert McAlpine as a flexible, agile and inclusive business that welcomes everyone. I am resolute that these testing times, and the temporary financial impact of Covid-19, should not deter us from progress but galvanise us to strive for true change in the critical areas of climate change, equality and the digital transformation of construction.

Our talented people and the improvements we have seen to our operations, despite the challenges brought by the pandemic, leave me in no doubt that we will emerge on the other side of these extraordinary times a stronger Sir Robert McAlpine, proudly building Britain's future heritage.

100 Liverpool Street, Broadgate, London



Forging future success together

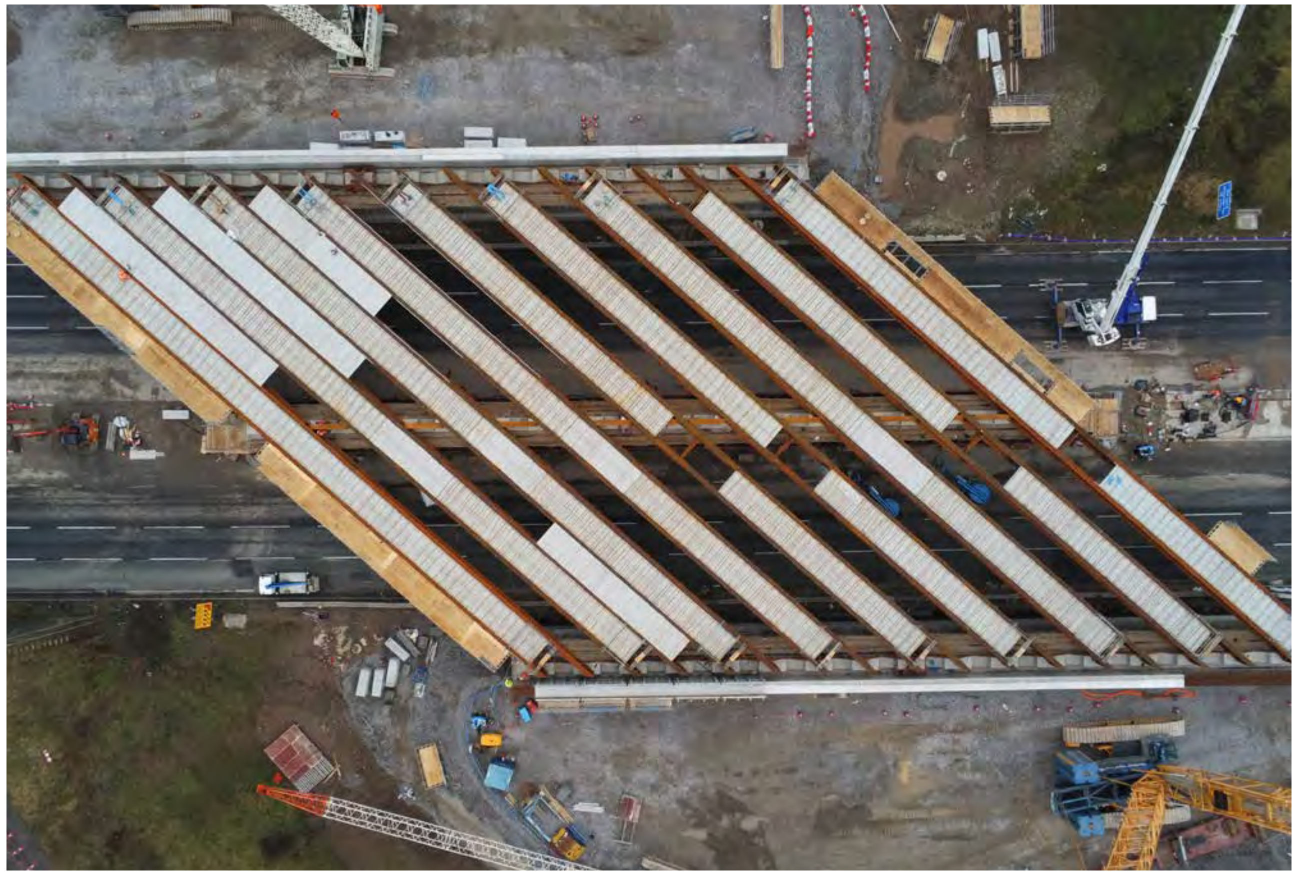
The five-year strategy we introduced in 2019 sets out a clear path to realising our vision of 'proudly building Britain's future heritage.'

We are instinctively a client-led business. We take the time and care necessary to understand them and adapt our offering to their evolving needs to help them achieve their ambitions.

Our projects, and their successful delivery, stand at the core of everything we do. Underpinning our approach is our Build Sure commitment to technical and engineering excellence, and to delivering exemplary projects safely, sustainably, on time, on budget and to the highest quality. Build Sure guides and informs our decisions as a business and we seize on every opportunity to leverage the quality and reputation afforded by our 152 years of experience.

As a values-led business it is not just what we do that matters, but how we do it, who it impacts and what positive legacy we can leave behind. These questions are considered from the first conversation about a project until we hand it over on completion.

In the midst of uncertain and unpredictable market conditions, resilience and cash management are critical to the ongoing future of the business. We have seen too many peers crack under the increasing pressure of this volatile environment, which is why we are meticulous in our planning and approach to protect the long-term viability of Sir Robert McAlpine, for our people and our clients.



New bridge construction over the M6 at junction 19 , near Knutsford

Our people have acted responsibly throughout a challenging year, always putting people's safety first

Our financing strategy, which ensures we remain debt-free with no restrictive covenants and significant cash on the balance sheet, creates a robust, long-term foundation on which the business can confidently build.

In 2019, we conducted a strategic review to ensure that we maintain the robust financial position of the business for the long term and are best placed to serve our clients. This led to the decision to deepen our focus on projects in key sectors where we have proven expertise and experience.

The quality of our people and our commitment to technical and engineering excellence set us apart and with their support, we have an ambition to be the Best Place To Work. As a family business, we treat each other like family, and we want everyone joining us to feel welcome, whoever they are and whatever their background. We recognise that our diversity makes us a stronger, healthier, more resilient organisation which is why we are committed to inclusion and to inspiring industry-wide change.

As a family business, establishing trust and long-term relationships is a key part of how we operate, whether with our supply chain partners, our consultants or our clients. Half of our revenues are derived from working with our key clients, with whom we have been building relationships for decades. We regard such clients as part of our heritage and part of our wider family.

In order to sustain our success into the future, we will be investing in appropriate digital technology and harvesting our project and business data to seize on opportunities to help drive productivity and efficiency gains across all of our future projects.

With a clear strategy and a robust financial position, our business, which is underpinned by our strong heritage, a truly inclusive culture and enduring relationships with our clients, consultants and supply chain partners, clearly has the fundamentals in place to build a better future together.

Financial highlights

Building positive momentum and resilience for post Covid-19 recovery

Despite the adverse temporary impact of Covid-19 on profits, the company showed strong underlying performance, bolstered by the five-year strategy we started implementing in 2019.

- The annual turnover was £819.5m in 2020, compared to 1,009.2m in 2019.
- The exceptional items for the year include a £5.1m charge for Covid-19 related restructuring (2019: £nil).
- Loss before tax is £26.8m in 2020, compared to a profit of £14.5m in 2019.
- Cash balances were ahead of the prior year at £96.7m in 2020, compared to £94.0m in 2019.

Our agility and flexibility enabled us to react quickly to mitigate the effects of the pandemic.

In addition, the strategic review we undertook at the start of the financial year led to a restructure, which aimed to reinforce our resilience amidst unpredictable market conditions and the long-term sustainability of the business.

As a result of these measures, productivity levels have gradually increased during the course of the year and we have secured a healthy pipeline of work.

This positive outlook, combined with our robust cash position and the evidence that our strategy is delivering the desired outcome, fills us with the confidence that we are on the right path, building strong momentum towards recovery.

(Loss)/profit before tax

	2020	2019
Total	(£26.8m)	£14.5m
Includes exceptional items of	(£5.7m)	£2.4m

Turnover

2020	2019
£819.5m	£1,009.2m

Cash

2020	2019
£96.7m	£94.0m

No debt

The Peninsula Hotel, London

Non-financial performance indicators

Sustainability

97% material responsibly sourced

500+ social value activities across the business

(Apprenticeships, school visits, jobs created, community events, charitable giving, volunteering etc)

4% reduction in waste

(Measured in tonnes construction waste generated per £m turnover)

Health, safety and wellbeing

12 month rolling
Accident Frequency Ratio (AFR)

0.07
2020

0.15
2019

We are working with industry peers to support Covid-19 safe construction guidance in England and Wales through Build UK, the Construction Leadership Council (CLC) and the Scottish Construction Groups in Scotland.

New performance metrics are being developed based around competence, process, culture, compliance and learning.

Diversity

2 out of 6
Sir Robert McAlpine Board members are women

Employees (at 31 October)

2,143
2020

2,284
2019

Mean gender pay gap
27.2%

Median gender pay gap
30.9%

This shows the mean and median difference in the fixed hourly earnings between men and women who work for Sir Robert McAlpine Ltd as at April 5th 2020.

One Centenary Way, Birmingham

Our Board of Directors and Executive Leadership Team

The members of the Sir Robert McAlpine Board are jointly responsible for setting the strategic direction of the Company and for operational performance.

Edward McAlpine
Chair & Executive Partner

Paul Hamer
Chief Executive

Hector McAlpine
Executive Partner

Karen Brookes
Executive Director of People & Infrastructure

Leighton More
Chief Financial Officer

Alison Cox
Executive Director of Engineering & Technical Services

Our Executive Leadership Team

Paul Hamer
Chief Executive

Appointed Chief Executive in July 2017, Paul is a champion of inclusion, leading and empowering the team to deliver on a 'client-led, project-focused' strategy which will enhance business resilience, social value and sustainable growth.

Karen Brookes
Executive Director of People & Infrastructure

Karen joined our business in 2017, and is responsible for People, Property & Facilities Management, Business Systems, and Compliance & Security. Karen's progressive approach to people and inclusion is helping to drive the business forward for a future generation of construction professionals.

Alison Cox
Executive Director of Engineering & Technical Services

With more than 30 years' experience within the business, Alison leads a diverse multi-disciplinary team of experts who provide industry-leading support to all our projects. Alison blends her technical construction and project management expertise with her inclusive leadership approach.

Leighton More
Chief Financial Officer

Leighton joined the business in 2018 and is the custodian of the financial performance, control and management of the business, including responsibility for taxation and pensions. He is also the Chair of the Risk and Assurance committee.

Grant Findlay
Group Strategy Director

Grant joined Sir Robert McAlpine in 2012, and is responsible for strategy development, innovation and improvement, and leadership of strategic sector activity. Grant is a founder of the Construction Data Trust and champions the use of data across the industry to improve project delivery.

Lynda Thwaite
Group Director Marketing & Communications

Having joined the business in 2018, Lynda is responsible for brand, marketing and communications, the reputation of the business, and the engagement of our people. Lynda is a fervent advocate of inclusion and gender parity in the construction sector.

Steve Hudson
Group Commercial Director

Steve joined our business as Group Commercial Director in 2020 and is responsible for our legal, commercial services, insurance and procurement functions. Steve is developing our trusted partnerships for the benefit of our clients and our ongoing supply chain relationships.

Ian Cheung
Managing Director South

With a hugely successful record of managing and improving construction businesses across the UK, Ian joined Sir Robert McAlpine in 2016 to lead and grow our Southern business.

Tony Gates
Managing Director Civil Engineering

Tony joined Sir Robert McAlpine in 2017 to lead and grow our civil engineering business. This includes our shareholding in Align, a joint venture delivering a key element of HS2, and the AmeySRM joint venture working on projects for Highways England.

Mark Gibson
Managing Director North

Part of the Sir Robert McAlpine team for more than 30 years, Mark has wide ranging experience in delivering projects across multiple sectors. Mark is both growing the business and expanding our expertise in the Northern region. He is also Chair of the Employee Network.

Paul Heather
Managing Director London

With 30 years' industry experience, Paul's focus is on building strong relationships with clients, consultants and supply chain partners in the London market.





Everyone is welcome

We are determined to lead on inclusion and inspire change across our industry and beyond.

Being a more inclusive business not only aligns with our strong family values but is fundamental to helping us realise our ambition to be the Best Place to Work.

By promoting a culture where everyone feels comfortable to be who they truly are, and are rewarded on their merit, we attract the best talent from the widest spectrum of backgrounds. Our message is simple and clear: "Everyone is welcome."


Flexible working for everyone

As a business committed to driving inclusion, improving the work-life balance of our people, reducing the gender pay gap, and addressing the issue of mental health in construction, we have a responsibility to explore flexible working solutions that bring sustainable, positive change for everyone.

In 2019, we backed "Flex Appeal", launched by flexible working campaigner Anna Whitehouse, aka Mother Pukka. Our aim was to commission research that would provide flexible working solutions for employers and increase flexible working opportunities for employees.

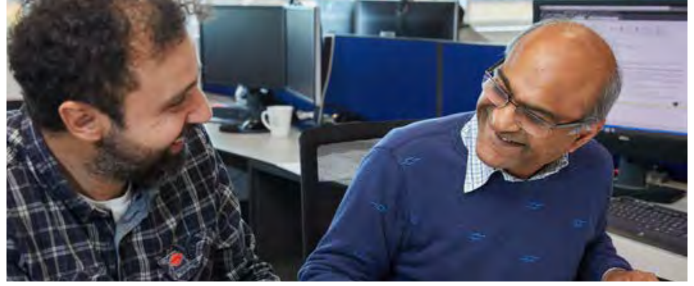
With the emergence of the Covid-19 crisis and the subsequent lockdown in March 2020, the focus of the Flex Appeal study shifted towards providing examples of successful flexible working, applicable for the long term, after the pandemic.

The Forever Flex report, published in November 2020, is based on extensive research conducted during lockdown by behavioural change specialists, Claremont, and contains inspiring stories of organisations that have successfully implemented a true flexible working environment. It is based on in-depth interviews with leaders & decision makers from 32 companies and a survey of 1,420 employers, in all sectors and of all sizes.

We were proud to sponsor the Flexpo Digital event and are committed to leading by example on inclusion and inspiring industry wide change

Flexible working campaigner Anna Whitehouse

We believe that flexible working is for everyone because each of us has the right to a healthy work-life balance. This is the foundation for every individual to prosper in their professional environment and be happy in their personal life.



Beyond 1%

Women represent only around 14% of the construction workforce, with a mere 1% working on the tools. This is something that we want to change.

To help inspire more women to take up a career in construction, we decided to start a podcast in which women confront the realities of working on site, address the stereotypes, and comment on the evolution and the state of this largely male dominated industry. In turn, candid, funny, witty, serious, our guests shared a wealth of ideas and knowledge for others to learn from.

Affinity Networks – Driving inclusion forward

Creating and nurturing a truly inclusive culture where everyone feels welcome, starts by allowing everybody to have their say on the issues and topics that matter to them.

This is exactly what our Affinity Networks are designed to do. Run by our people, for our people, with the support of an executive sponsor, they work to promote best practice and drive necessary change in seven areas:

- Ability
- Cultural Diversity
- Gender Equality
- LGBT+
- Social Mobility
- Stages
- Working Families

The Affinity Networks represent a cornerstone of our inclusion strategy and play a key role in helping us to become the Best Place to Work.

Employee Network

Our recent Employee Network election represented an important next step in the development of what has become an influential group within Sir Robert McAlpine.

Made up of a cross-section of volunteers from a range of disciplines, the network was first established two years ago to provide a forum for our people to share their views and ideas and help shape the future of the business.

Since then, the group has proved hugely beneficial as we've looked to improve the way we work whilst raising the bar in areas such as wellbeing, inclusion and flexible working.

As well as highlighting common issues and championing ideas for positive change to our senior team, the group has acted as a sounding board for proposed initiatives, feeding back constructively on changes made.

When the group was originally set up, the aim was always to move to elected representatives once the network was properly established.

With that time having come, elections at the start of 2020 saw a new cohort of representatives voted onto the network.

Commenting on this significant step forward, Northern Managing Director, Mark Gibson, who chairs the newly-elected network, said: "We have made a great start in creating the Employee Network, which has demonstrated that it has a valuable role to play in helping Sir Robert McAlpine to become the Best Place to Work."

"Moving to elected representatives, with enhanced and more empowered roles, gives us the opportunity to launch and re-energise the Employee Network at an important time for the business".

We look forward to the contribution the group will make over the coming years.

Employee Network

Upskilling for the future with project data apprenticeships

With digital construction and data analytics a key driving force for improvement within construction, we are giving our people the chance to develop those skills through apprenticeship.

In 2020, we saw the first of our colleagues take on a data analytics apprenticeship as a way of upskilling themselves.

This level 4 apprenticeship programme was developed by data analytics consultancy, Projecting Success, and provides the opportunity to learn valuable new skills, such as coding, how to automate everyday processes, problem solving and developing new apps.

People who already have experience in a project delivery discipline can therefore make use of the data skills they're building to change the jobs they do on a daily basis.

Because it's paid for by the apprenticeship levy, it's being taken up by more and more people who recognise that data will play a huge role in their future.

23% of our apprentices are undertaking a data analytics role.

Philippa Doughty, Junior Geospatial Engineer

Proud to support apprenticeships

We are great believers in the importance of apprenticeships – and their value to young people, to our business and to the industry as a whole.

Apprenticeships are a great route into construction and play a vital role in helping address the skills shortage that we currently face within the industry. At Sir Robert McAlpine we are championing the delivery of apprenticeships. We are offering more opportunities on our projects and within our wider business through targeted social value planning driven by our company sustainability strategy.

We offer a range of apprenticeship opportunities, delivered in partnership with education providers at a local level and currently have more than 70 apprentices employed across our UK offices and sites.

Our apprentices are working in a range of roles, including as data analysts, engineers, receptionists, quantity surveyors, office managers and BIM coordinators to name but a few.

The advantage of a Sir Robert McAlpine apprenticeship is the chance to work on interesting, major projects, alongside supportive, knowledgeable experts.

Dave Cochrane and Angus MacDonald both started their careers with us as apprentices and now have a combined 62 years' service with the company

Benefits that put our family first

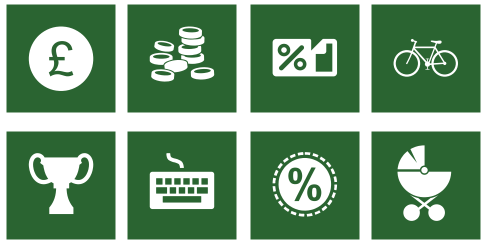
We make no bones about it, we want Sir Robert McAlpine to be the Best Place to Work.

It's not just an ambition, it's something we are actively working towards, which is why it's written into our strategy.

We know that to be the Best Place to Work, we need to be as inclusive a business as possible. That means flexing to meet the needs of our people and providing them with the kind of industry-leading benefits that we'd want our own family to have. Because, as a family company, that's exactly what our people feel like to us.

Over the last two years, thanks to the dedication and hard work of our People & Infrastructure team, our people have been able to start enjoying a host of new benefits.

These now range from simple things like being able to enjoy a day off for your birthday, to being able to make significant savings on everyday items thanks to our dedicated online Reward Hub, and there are more new benefits still to come.



Embracing digital construction

The unprecedented challenges caused by the pandemic have accelerated a real shift towards the adoption of digital construction.

"The foundations of our digital construction strategy and ways in which we have been implementing digital use at project level has been accelerated due to working restrictions in a pandemic. Greater uptake of our digital tools has been paramount to the success of this acceleration."

Nick Leach –
Head of Digital Construction

It has become clear that digital thinking and approaches can help construction emerge as a more collaborative and efficient sector. Its adoption will also encourage a faster recovery, reducing risk and supporting profitability in the long run.

Embracing digital construction techniques and technologies will have a transformative effect on the industry as a whole and the delivery of each project.

That's why we are fostering a culture promoting the use of data and technology to innovate and inspire.

Support for grassroots initiatives in Manchester and Salford

Creating social value

As part of our 150th anniversary celebrations in 2019, we launched a grassroots community campaign, to support local projects that our people felt passionate about.

After the success of the campaign, we wanted to go a step further in 2020.

Our aim was to find a way to create a tangible, long-lasting and measurable impact on the communities we work with.

In February 2020, we introduced our Strong Foundations Grant, in partnership with social enterprise Semble, to support grassroots initiatives in the central Manchester and Salford areas.

We invited community organisations in those areas to apply for grants of up to £3,000. All awards were judged by a panel composed of representatives from Sir Robert McAlpine, Semble and local government officials. In order to be selected, the projects needed to demonstrate that they would bring communities closer together and increase wellbeing.

Twelve groups were awarded a share of the grant and we have already seen a positive, measurable impact across a variety of causes - from support for homeless people and mental health training to community garden developments.

The success of this initial initiative has led to a longer-term partnership with Semble and will see us provide £100,000 in grants to grassroots organisations across the UK in 2021.

Shared values underpin ties with the British Paralympic Association

Shared values underpin our ties with British Paralympic Association (BPA) ahead of the Tokyo Paralympic Games. We both care deeply for inclusion and constantly strive for excellence, so teaming up with the BPA made perfect sense.

Our partnership came into its own during 2020. The Games were cancelled, and we were unable to rally behind the GB team as they competed. However, throughout the pandemic, as our people were put under enormous pressure, it was clear that we needed support to keep going. The BPA stepped in and the amazing athletes took time to feature in virtual sessions sharing their personal stories with our teams. Helping cement our relationship, they spoke of resilience and coping mechanisms, boosting morale and providing guidance and top tips.

The partnership is something our people can unite behind and take pride in as one team. Supporting the most inspirational team of athletes in the UK feels like the right thing to do and is a true example of living our values.

We will be encouraging and supporting our friends at the BPA all the way to Tokyo!

Championing road safety

We are proud to have been recognised as an Outstanding CLOCS Champion. The Construction Logistics and Community Safety (CLOCS) standard aims to reduce the number of traffic incidents related to construction logistics, and to protect vulnerable road users. Over the past few years, we have been collaborating with CLOCS to promote and adopt its principles through in-house training and courses.

In 2020, we supported the CLOCS Works campaign to raise awareness of the CLOCS standard among local authorities, so that we can work together on addressing potential hazards and reduce the number of people injured or killed on British roads every year.

Research shows that there has been up to a 47% reduction in casualty rates when CLOCS is implemented, so we will continue our efforts to champion it across our sites.

Tackling modern slavery

We won't stand for any form of forced labour and modern slavery in our business.

With the Covid-19 crisis exacerbating the precarious situation of the most vulnerable, it is more important than ever that we work with our partners to tackle unethical and illegal labour practices.

Our Modern Slavery Statement 2021, sets out the actions that we have taken to address the inherent risk of modern slavery and unethical labour practices within our industry.

As a tier 1 main contractor, we believe it is our responsibility to set an example to our supply chain partners and our clients, and work with them to tackle these very real and present issues.

We are working to ensure that everyone involved in our projects is treated fairly and with respect, dignity and humanity.

We believe decent work must receive decent pay. We are committed to working with all our people, including our supply chain partners, to deliver what we hope will be lasting change within our industry and society.

Your mind: we mind

When it comes to mental health, the statistics for the construction industry certainly make for sobering reading.

With two construction workers taking their own lives every single working day, and stress, anxiety and depression accounting for a fifth of all work-related illness within the sector, it's an issue that cannot be ignored.

Factor in the added stress caused by the pandemic, whether through isolation, debt, anxiety or any of the other myriad factors that can impact negatively on our mental wellbeing, and this year it's been more important than ever to try and break the stigma around mental health.

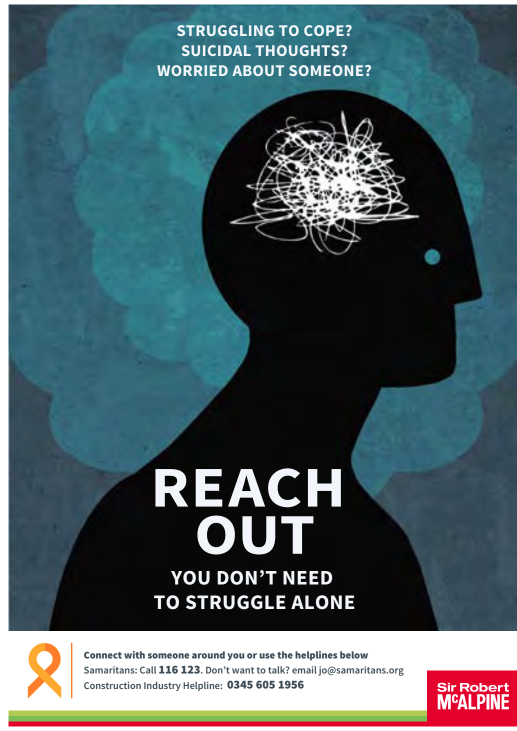
As part of our journey to create an open and positive culture around the issue, in autumn 2020 we launched an extended five-week internal campaign to encourage our people to check in on each other, share their stories and reach out if they were struggling.

Through our intranet, site posters, email, digital signage and toolbox talks, we addressed a range of issues, from grief, loss and eating problems, to gambling, addiction and mental health disorders, and provided our people with a host of valuable resources, including links to support and advice available both within the company and beyond.

Everyone's mental health is important so we provided a mix of stories, podcasts, programmes, as well as tips and checklists, all designed to spark conversation and get people thinking.

It was great to see the response from our people, some of whom shared personal stories of how mental health issues have affected their lives or the lives of those around them.

The importance of opening up, and accepting the help and empathy of others, was captured in a story sent in by one colleague who had struggled with anxiety.



"There were times it felt hopeless, but with the support of my friends, family and work colleagues, I was able to get through."

DON'T KEEP IT UNDER YOUR HARD HAT

People pulling together through Covid-19

If the trials and tribulations of the last 12 months have taught us anything, it's how important it is to have a strong support network around us. As the saying goes, bad times really do bring out the best in people.

As a business that's all about strong family values, we're extremely proud of how our people have come together to support each other throughout the turbulent events that have engulfed us all. The kindness, compassion, and amazing sense of team spirit they have shown one another has gone to demonstrate just how unbreakable the Sir Robert McAlpine family ties really are.

Here, two members of our team share how their work family helped support them through the pandemic.

Sir Robert McAlpine supports Joanna and family

It's all of our Covid-19 nightmares come true. Someone you love contracts the virus and ends up being rushed into intensive care, sedated and hooked up onto a ventilator.

That's exactly what happened to Design Manager, Joanna Kuzelewska, last year, when her previously fit and healthy husband, Chris, contracted the virus and his health started deteriorating rapidly.

Worse still, not long into his hospital stay, Joanna was called in by Chris's medical team to be given the shattering news that his chances of survival were slim. The shock and pain Joanna's family went through was near unthinkable. But thankfully, after 52 seemingly endless days in intensive care, Chris was eventually discharged and allowed to continue his long journey to recovery at home.

Not having direct family members in the UK to lean on at such a traumatic time, Joanna's colleagues stepped up to fill the gap, acting as a second family for her and her children during the ordeal - a real pillar of strength when she needed it most.

People showed their support in many different, but equally wonderful ways. Some texted her every day, while others would bring her family meals or check in regularly via text so as not to overwhelm her.

Chris continues to grapple with the after-effects of the virus, and to come to terms with the full extent of the damage it has wrought on his body. But whatever lies ahead, the Sir Robert McAlpine family will continue to support both Joanna and the wider Kuzelewska family to help Chris on his long journey to recovery.

As Joanna put it, "when life became tough, Sir Robert McAlpine showed me that family is more than blood".

Joanna, Chris and family

We are extremely proud of how our people and their families have come together to support each other throughout this turbulent time

Eve and family

Flex worked for new starter Eve

Eve Bader was only 10 days into her new role as an Information Systems Coordinator when we advised those who could do so to work from home. Being a new starter, Eve naturally had real concerns over her job.

Her project director quickly put her mind at ease, continuing her introduction to both the role and the wider team remotely.

Though, naturally, she was inclined to assume that getting to know colleagues outside of the office would be more difficult, Eve soon found that frequent group meetings and phone check-ins actually allowed her to forge stronger connections with co-workers, as the unique circumstances of the pandemic fostered a real sense of collaboration and solidarity.

Covid-19 has been enormously difficult for families in so many ways, but despite this, Eve believes we can also take some real positives from it, with flexible working for example, showing how productive many of us can be when working from home.

For Eve, it's allowed her to make strides both at home and at work, as being able to choose when and where she works, and cutting out the commute, have given her invaluable extra hours to spend with her children. Eve believes it really has been a win-win scenario.

A decade-long partnership with Maggie's sees the opening of three new centres in Yorkshire, Southampton, and Sutton

It's now ten years since we first started working with Maggie's, delivering technically complex designs to bring to life award-winning structures that push the boundaries of engineering convention.

Located within the grounds of major NHS cancer hospitals, Maggie's Centres provide practical, emotional, and social support to anyone with cancer and their friends and family. The centres, each of which is designed by a world-renowned architect, are some of the most distinctive buildings in Britain. As such, they are often incredibly challenging to construct. It was this complexity that led to our initial involvement with the charity, at the award-winning, Kisho Kurokawa - designed Maggie's Centre at Singleton Hospital, Swansea.

Since Swansea, we have been involved in a number of the charity's projects, including the delivery of an interim centre at Clatterbridge in Liverpool, Maggie's at The Christie in Manchester, a centre at St Bartholomew's Hospital in London, as well as more recent centres in Leeds, Southampton and at The Royal Marsden in London.

Maggie's Royal Marsden

The latter project, comprising a complex 'nest' of four small interlocking buildings wrapped around a central courtyard, was designed by Ab Rogers Design, and delivered in the space of just over 18 months.

The colour of the glazed tiles encasing the centre graduates from building to building to striking visual effect. Nearly 2,000 precision mounted terracotta tiles form an elegant, seamless façade which curves up and over the remarkable geometry of the building. Throughout, the design and quality of finish creates a welcoming and restorative environment with a sense of luxury that belies what was a relatively modest budget.

Maggie's Southampton

Constructed next to the Oncology unit at Southampton General Hospital, this centre features bespoke ceramic block walls, mirror façades with sliding glazed screen panels and a sedum green roof. Conceived by British Stirling Prize winning architect, Amanda Levete's AL_A practice, the building is designed to create 'an oasis-like facility': a woodland glade seemingly transported from the nearby New Forest into the concrete landscape of the hospital.

Project Manager Kevin Munday and Commercial Manager Kathy Barber provided Maggie's with the confidence they needed to reopen the site in the midst of Covid-19, which meant that, against the odds, the team successfully delivered on the charity's 2020 completion date.

Maggie's St James, Leeds

Designed by Heatherwick Studio, Maggie's Yorkshire is a truly extraordinary building, as complex in its construction as it is ingenious in its design. Set in what was the only green space left amongst a cluster of medical buildings, the centre is expressed as a grouping of three stepped planters, which act to raise up the gardens while providing a series of shared and private spaces below.

The building's interior is no less striking, rows of giant splayed glulam fins rising up and seamlessly branching out overhead into an elegant and fluid canopy of a roof. From the curving millimetre-perfect internal lime render to the exposed aggregate concrete, the timber and micro cement flooring, and the heavily planted roof top gardens, delivering the architect's vision and the quality meant meticulous planning and extensive collaboration.

Plot 6&7 Central Square, Cardiff

Paula McMahon, Regional Apprentice Champion for the North East

Nicky Rance, WLA Member of the Year

Marketing and Communications Team silver award for 'Best Event' at the Internal Communications and Engagement Awards

Awards 2020

We're incredibly proud of the outstanding projects we deliver and the talented people who deliver them. Industry awards and accolades are a true testament to their ongoing commitment to excellence.

Twelve site teams were recognised at the Considerate Constructors Scheme National Site Awards 2020. These included Battersea Phase 3A, 1 Finsbury Avenue, Fredrick Douglass Centre and The Majestic, each of which picked up Gold awards. There were Silver awards for: 135 Bishopsgate, Wimbledon Court Number 1 and Gurnard Primary School; and Bronze for: Plot 6 & 7 Central Square, Cardiff , 1 - 5 Grosvenor Place: Peninsula, London, Carisbrooke College, 55-93 Knightsbridge and Victoria Square.

Structures Engineer Paula McMahon was crowned Regional Apprentice Champion for the North East and Highly Commended Apprentice Champion at the National Apprenticeship Awards.

Our Marketing and Communications team picked up a silver award for 'Best Event' at the Internal Communications and Engagement Awards and shortlisted for the CIM Marketing Team of the Year.

Our Royal Albert Hall team were awarded 'UK Project with a value of between £1M and under £3M' at the Ground Engineering Awards.

James Campbell, Student Engineer, was named "Further Education Student of the Year" at the G4C (Generation4Change) Awards.

Life Kitchen at the Lodge, Sunderland, for which we were contractor, was named winner of the Leisure category and Project of the Year at the inaugural RICS Social Impact Awards North East.

Plot 6&7, Cardiff Central Square, won "Building of the Year" at the Constructing Excellence Wales Awards.

Project Director, Nicky Rance was named 'Member of the Year' at the Women Leaders Association (WLA) Shine Awards.

The Frederick Douglass Building in Newcastle won the "Value" category and was highly commended in the "Integration and collaboration working" category of the Constructing Excellence North East Awards.

James Campbell, winner of the G4C Awards Student of the Year

The Royal Albert Hall, London

One extraordinary year
One extraordinary team

On 23rd March 2020, the country went into its first lockdown in response to Covid-19.

For Sir Robert McAlpine, the period since has served to highlight perhaps our greatest strength: our phenomenal family of colleagues. Their problem-solving skills, engineering expertise, willingness to go above and beyond, and most of all, their big hearts have been what has got us through.

As a values-led family business, we were determined to put the safety and wellbeing of our people and those we work with first, whatever the cost. We were also determined to support the nation's effort to overcome Covid-19 and to do what we could to help those on the NHS front line.

A Covid-19 Operations Group made up of senior leaders within the business was quickly established to ensure agile and decisive leadership. The group met daily throughout the crisis, keeping our people informed.

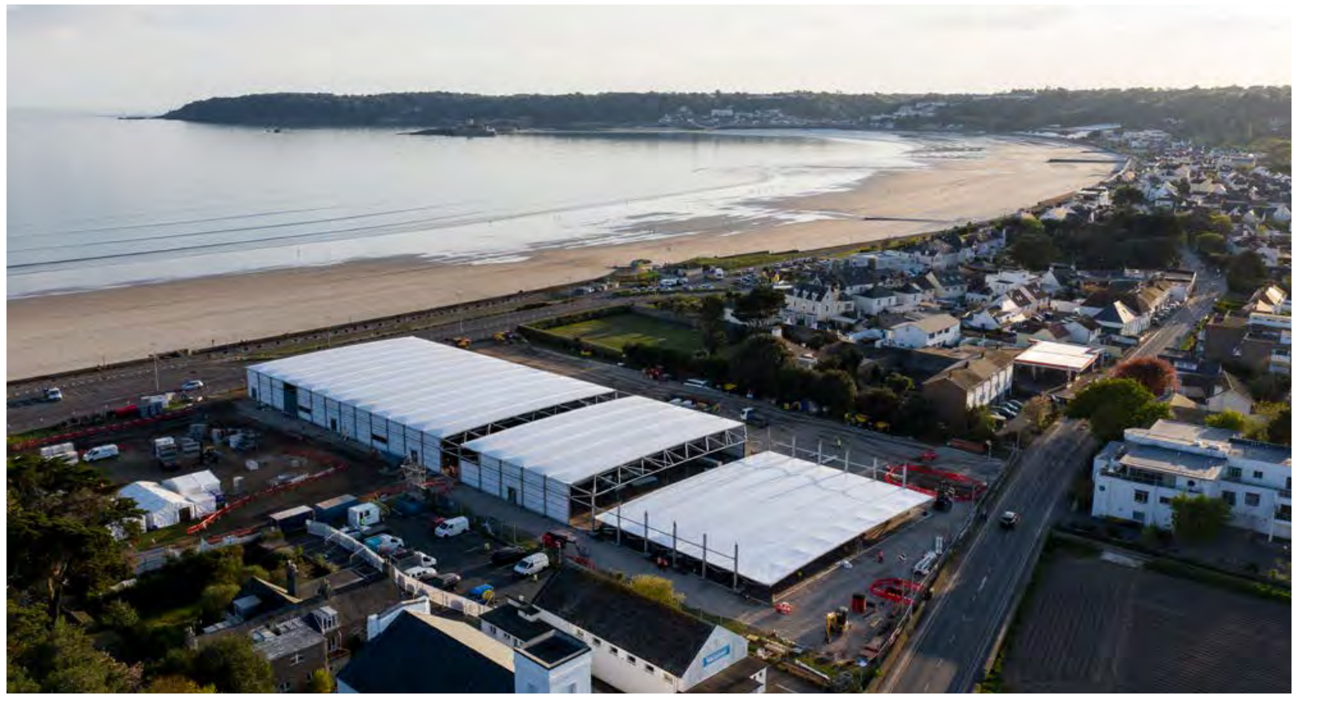
With safety an absolute priority, within days of lockdown the vast majority of our sites were closed to all but essential colleagues and security staff.

The Manchester Nightingale Hospital was delivered by IHP (Integrated Health Projects), our healthcare joint venture with VINCI Construction UK

This supported our Health and Safety team to produce a set of Covid-19 Specific Control Plans to reflect the Construction Leadership Council's Site Operating Procedures and Government guidance.

Mandatory at all our workplaces, and updated whenever necessary, these plans were vital in ensuring we were able to get back to work safely and efficiently as soon as we could.

We constructed the Jersey Nightingale Hospital in just four weeks



Temporary welfare facilities at Alder Hey Children's Hospital, Liverpool

Where we could continue to work safely, whilst abiding by Public Health England and Government Guidance, we did so. This included our teams operating as key workers making sure major strategic routes like the sections of the A19 and M6 remained open and accessible for other essential workers and emergency services.

By the start of April, it was evident that the situation was not going to improve quickly and, in order to safeguard the long term future of our business and our people, we had to make the difficult decision to place many of our colleagues on furlough. Our people reacted with dignity and professionalism, despite the added pressures this brought to bear on both them and the skeleton staff who remained active in the business.

Our People Team were quick to swing into action, developing and sharing a host of resources designed to support our people through this difficult time whether, from a financial or emotional perspective. E-learning, wellbeing resources, tips on homeworking and home schooling, how to up a home work station: they set to work sharing everything you could think of to keep our people engaged and feeling supported.

With many of our teams' working lives on hold, numerous colleagues showed their true colours, volunteering to help with NHS teams around the country. In addition to individual contributions, our Kettering Plant Department team worked with our Healthcare colleagues to donate and set up special temporary Covid-19 facilities at Kettering General Hospital and Alder Hey Children's Hospital in Liverpool.

The expertise and collaborative instincts of our healthcare team found their greatest expression in the Nightingale Hospitals they helped establish in Manchester and Jersey, as well as through operations in Preston and Bangor, projects and teams the company is extremely proud of.

During a time where everyone had to remain apart, bringing our people together was never more important. We introduced a series of virtual Call & Connect sessions which were instrumental in sharing knowledge, best practice and innovative ideas within the business.

Our family culture has played a vital role too, our people recognising the need to look out for each other as well as themselves and working to accommodate the needs of team members when the demands get too much.

Our heartfelt thanks go to all those who have given up their time to support our #NHSheroes

Colleagues volunteered to help NHS teams across the country

By May, all but 15 of our sites were back up and running as our remobilisation operation got into full swing. As the summer went on, our people steadily returned from furlough as more and more of our sites were able to return safely to operation, so that by August some 98 per cent of projects were up and running with productivity back to pre Covid-19 levels, all thanks to the amazing efforts of our people and our supply chain.

With many of our people working from home, Covid-19 has brought to a head an issue we have been championing for some time as part of our drive to become the Best Place to Work: flexible working. We believe that flexible working can be an agent of building back better after the pandemic, and we are committed to finding sustainable flexible working solutions for everyone.

The Covid-19 pandemic has taught us a lot about who we are and where we are going as a business but perhaps more importantly it has reminded us of what a repository of skill, expertise and passion we have in our people.

Proudly delivering high quality assets for our clients

Delivering outstanding projects for our clients will always fill us with a sense of pride. This is all the more true this year as circumstances have forced our people to overcome significant obstacles and adapt to challenging new ways of working. Throughout, we have remained true to our commitment to quality and technical excellence.

The Majestic, Leeds

We achieved practical completion on this iconic landmark in the centre of Leeds. Following a cutting-edge restoration project, The Majestic offers much needed prime office space in the city centre's business district.

We transformed this former 1920s cinema and bingo hall into a sleek Grade A commercial development. Set in the heart of this bustling city, the approximately 66,000 sq. ft. of lettable office space spans over six floors and is ideally situated for both rail commuters and city-dwellers alike on the doorstep of the train station.

The nature of this particular project provided a unique set of construction challenges. With the structure left damaged by fire, our team was tasked with the difficult brief of preserving the building's remaining heritage while simultaneously creating a modern space designed to foster a dynamic working environment.

With expert temporary works design and engineering support from our in-house Design Group, the team showcased their impressive capacity for innovation throughout a project which saw the original external façade retained behind which new floors, a spectacular atrium and a new crown roof were constructed.

The proscenium arch has been returned to its former location, and now acts as the defining feature of the new triple height foyer.

Riverside Salford, Manchester

This 17-storey private rental scheme project provides 190 apartments along with a reception area and retail outlet on the ground floor.

We were appointed to rescue the Riverside scheme following the collapse of another contractor. The project had progressed out of the ground with parts of the frame already cast. Working with the existing subcontractors and supply chain partners, the project was completed during the early stages of the Covid-19 pandemic.

Civic Centre,
Newcastle upon Tyne

Fifty years after delivering the landmark Civic Centre in Newcastle, we returned to give this Grade II* listed building a new lease of life. Refurbishment works included a new complex of courts, judges' chambers and public spaces along with offices and facilities for Newcastle City Council.

Mathematical Sciences Facility, Durham University

This new 4-storey, stand-alone facility on the University's Upper Mountjoy site houses lecture theatres, seminar rooms, research laboratories, computer suites, a library and social and breakout spaces along with offices, catering facilities and meeting rooms.

The scheme design facilitates greater integration of students and staff to develop synergies between Mathematical Sciences and Computer Science.

Priority Schools Building Programme, Isle of Wight

We delivered five schools across the Isle of Wight as part of the government's £2.4 billion Priority School Building Programme. The batch included three secondary schools; Ryde Academy, Christ the King College and Carisbrooke College, and two primary schools; Queensgate Foundation Primary and Gurnard Primary School.

21 Moorfields, London

It's not every day you get asked to build 470,000 sq. ft. of office space over a working tube station and a future Crossrail ticket hall. But that's just what we're doing at 21 Moorfields: a 16-storey building that is pre-let to Deutsche Bank.

Our in-house Design Group provided invaluable technical advice and support in relation to the main structure, as well cost-effective and safe temporary works design.

The highly technical steel frame is set on enormous transfer trusses spanning 60m across the underground station beneath – all to protect the station from the loads of the building.

Conserving Britain's Heritage

We're privileged to work on some of the nation's finest landmark buildings. Our Special Projects team can draw on decades of experience in conservation, high-end new build, refurbishment and complex engineering. We are currently working on many fine examples of our nation's heritage including The Courtauld Gallery at Somerset House, Shaftesbury Theatre, The Inner Temple, Elizabeth Tower and a new care centre for Maggie's.

The Royal Albert Hall, London

We're proud to have worked with The Royal Albert Hall for more than eight years. During this time we have undertaken a variety of improvements, demonstrating our expertise in delivering invasive works on, and in close proximity to, historic building fabric and with minimal disruption.

In addition to integrating new mechanical and electrical services, we have also delivered the 10m deep, two-level basement which saw the team recognised with an award at the 2020 Ground Engineering Awards.

80 Strand, London

We are remodelling and rationalising the landmark Art Deco Grade II listed Shell Mex House. The project features a new atrium, while a glass bridge wrapping around the top floors will provide tenant access to a rooftop terrace.

Elizabeth Tower, Westminster

The Elizabeth Tower, popularly known as Big Ben, is now into the completion phase of what is the most significant programme of conservation works in its 160-year history.

A hugely complex project, combining the latest construction techniques with traditional conservation skills, work includes conserving the stonework and cast-iron roof. The four clock dials are being carefully cleaned, the glass replaced and the hands conserved.

Our national portfolio of healthcare projects and clients continues to grow across mental health, acute care, private and third sector providers.

Airedale General Hospital, Keighley

Provision of a new Barn Theatre and Procedure Suite, procured via the Pagabo framework, follows completion of an Acute Assessment Unit and additional car parking for Airedale NHS Foundation Trust.

CEDAR programme, Cumbria & Northumberland

We are the delivery partner for the CEDAR (Care Environment Development and Re-provision) upgrade programme for the Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust.

Procured through the Pagabo framework for major capital works, construction is under way on new mental health facilities at Northgate and Ferndene hospitals.

Springfield University Hospital Development, Tooting

The Springfield University Hospital development will provide two new mental health facilities in Tooting, south London. The facilities, which include eight new inpatient wards, will be set within a park and surrounding public realm and infrastructure.

Cleveland Clinic, London

Cleveland Clinic will provide 184 inpatient beds, including 29 ITU beds, eight operating rooms, a full imaging suite, endoscopy and catheterisation labs, day case rooms for surgery, and a full neurological suite with rehabilitation.

The state-of-the-art facility will offer comprehensive medical and surgical services, with a special focus on Heart, Vascular and Thoracic, Digestive Disease, Neurosciences, and Orthopaedics. Most of the existing façade of the building is being maintained and the original entrances to the building will be reinstated.

Our unique Integrated Health Projects (IHP) joint venture with Vinci Construction UK has continued to support NHS clients through the ProCure 22 Framework, whilst securing new work and clients during 2020.

Emergency and Urgent Care Facility, York & Scarborough NHS Trust

The facility will offer a range of care services from urgent acute trauma resu to GP support.

It will be the first emergency care building to incorporate twin ventilation systems enabling the separation of highly infectious patients from non-infected patients, in effect providing a facility which can be split into separate pandemic positive and pandemic negative patient areas.

Douglas Bennett House, Southwark, London

This purpose-built mental health facility will include acute adult inpatient services with four specialist wards and a psychiatric intensive care unit. When complete the facility will enable the South London & Maudsley NHS Foundation Trust to centralise its mental health services in one location.

St Ann's Hospital, London

We delivered four new adult mental health wards on the existing St Ann's Hospital site under the Procure 22 framework.

This new BREEAM Excellent rated facility features three adult forensic mental health wards, one eating disorder unit and up to 74 ensuite bedrooms. The flexible design and layout of the eating disorder unit means it can be converted to a fourth acute ward easily and at a minimal additional cost. The team achieved project completion during the first wave of Covid-19.

Reorganisation of Royal Bournemouth and Poole Hospitals

This project for University Hospitals Dorset NHS Foundation Trust forms part of the reorganisation of NHS services across Dorset and will see Poole Hospital become the main centre for planned treatment.

The scheme includes the construction of a new state-of-the-art theatre complex with eight theatres and expanded day care provision, replacing the original 1960s-built theatres.

Ilona Rose House, London

Located on the former site of Foyles bookshop in Soho, Ilona Rose House is a 10-storey mixed-use development featuring high-quality office space alongside shops and affordable housing.

Its striking cladding – patinated brass on the lower floors and rose-patterned pale pink higher up – and cantilevered-entrance make it stand out from the crowd of commercial buildings in London.

The 4-storey basement was a key challenge for our team, not only because of its depth, but because it also combines a steel frame with concrete slabs, calling for careful coordination between subcontractors in a confined space.

Victoria Square, Woking

A powerful symbol of growth, the Victoria Square retail, residential and hotel development is transforming this Surrey commuter hub's skyline.

Careful logistics are key, moving people and materials around the town centre site, without causing disruption to the local community.

The Lumen, Newcastle upon Tyne

The Lumen is a Grade A commercial building located in the heart of the Helix business and innovation development. The regeneration area incorporates higher education, research and commercial facilities and is designed to foster collaboration between the public sector, academics and like-minded businesses.

Following delivery of the eye-catching 106,000 sq ft, 8-storey building, we commenced work on a further Grade A commercial building at the Helix known as The Spark. The 12-storey building will provide office accommodation and large informal collaborative spaces along with panoramic views of the city from a top floor terrace.

City Labs 2.0
Manchester

City Labs 2.0 forms part of a new world-class hub pushing the boundaries of healthcare diagnostics and treatments.

The 92,000 sq. ft. campus forms part of a new national hub for precision medicine and data analytical businesses, accelerating innovation and translating brilliant research into new healthcare diagnostics and treatments.

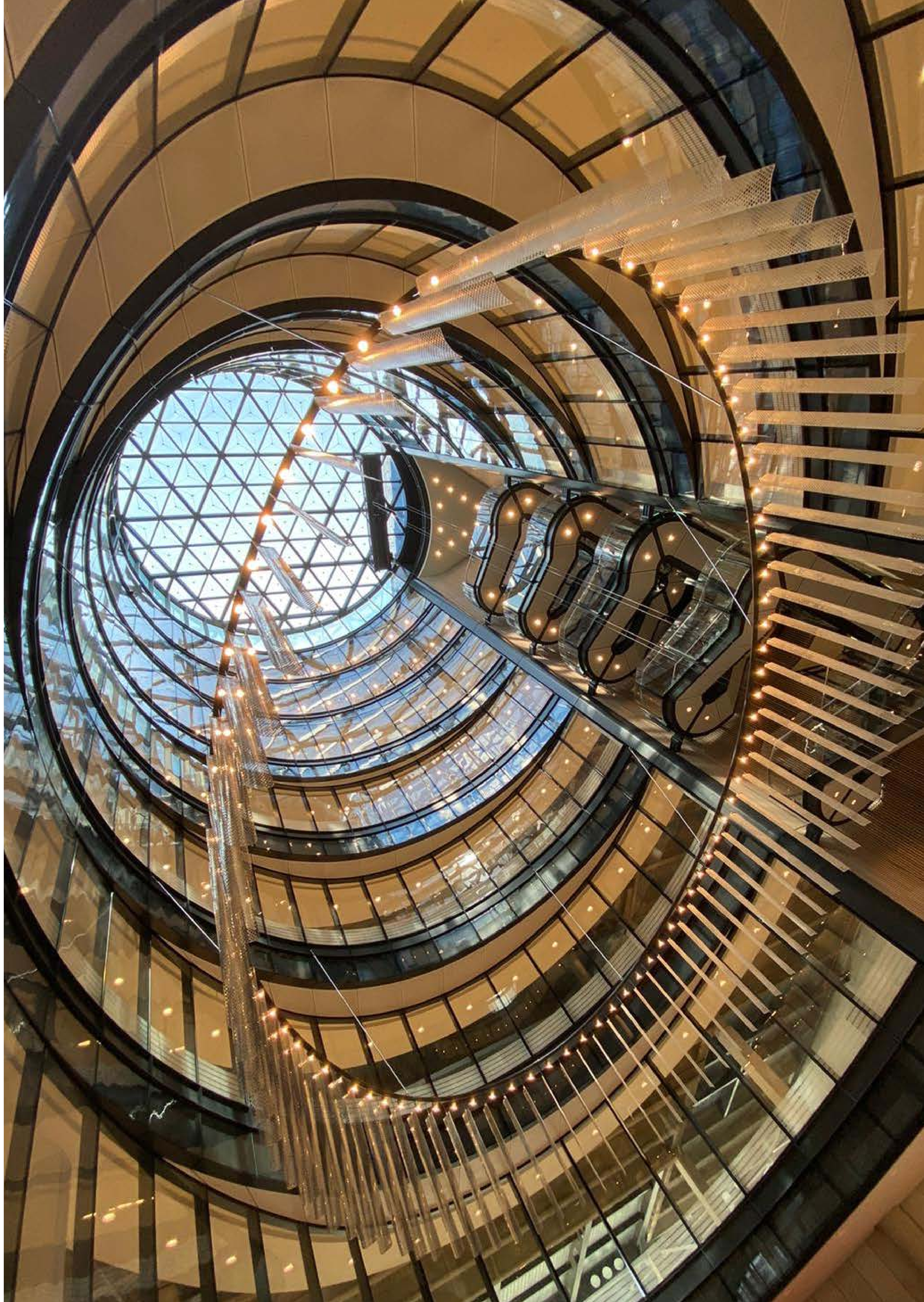
We are proud of everyone involved for pulling together to deliver this world-class facility safely and on time given the added challenges of Covid-19.

Engineering Excellence at 100 Liverpool Street, London

The development of 100 Liverpool Street was a large, complex and multi-faceted project that required our team to demonstrate an exceedingly high standard of technical excellence. One of the most significant challenges was the project's close proximity to four major transport hubs: Liverpool Street Station Underground, the Bus station, the construction of the new Elizabeth Line and Liverpool Street Railway station.

Situated directly above a number of busy and active retail spaces and restaurants in Liverpool Street Station (one of the UK's consistently busiest stations), the project team had to overcome this daily challenge whilst pursuing excellence in all aspects of construction. For the duration of the project, our team had to manage and complete all the works, with approximately 180,000 people walking through the middle of the site on a daily basis, while we demolished and constructed above, to the side, and below them. Every retailer remained open, and there was zero margin for error in ensuring both the continuity of operations for the neighbouring businesses and the safety of our workforce and the significant number of pedestrians moving about in such close proximity to site.

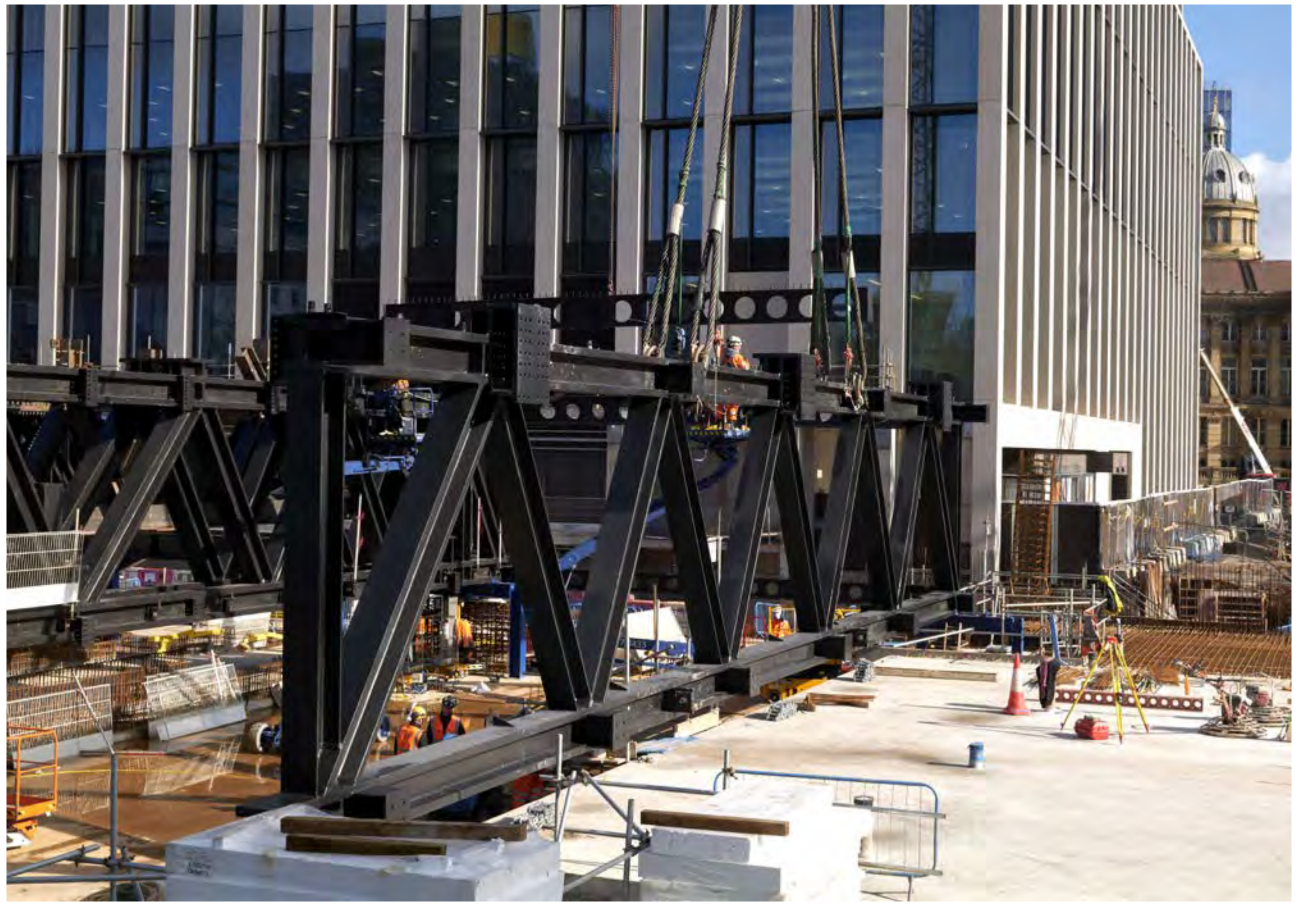
100 Liverpool Street was rated BREEAM Outstanding, with a final post-construction certification of 89.2%. This is the first British Land building to achieve a score of Outstanding, propelling the development into the top 1% of office buildings in the UK.



Frederick Douglass Building, Northumbria University, Newcastle upon Tyne

Shaping the future for learning, weaving together social spaces and lecture theatres, this state-of-the-art learning and teaching centre includes a stunning auditorium, a 200-seat lecture theatre and a range of seminar rooms and exhibition spaces over several floors.

It is a key component of Newcastle University's teaching, particularly for the School of Computing and the Newcastle University Business School.



One Centenary Way, Birmingham

One Centenary Way is a complex 12-storey 265,000 sq. ft. commercial building located directly above the Queensway Tunnel in Birmingham City Centre.

Our in-house Design Group used their ground engineering and piling expertise to review our approach to the complex piling, which had to take place in close proximity to existing structures.

A total of 16 transfer trusses span across the tunnel and are amongst the largest ever designed and constructed for a UK commercial building. The largest truss spans 34m long and is 6m high.

High Speed 2 Central 1 Package

We are delivering the HS2 Central 1 (C1) package as a member of the Align joint venture with international infrastructure specialists Bouygues Travaux Publics and VolkerFitzpatrick.

C1 consists of 21.6km of high-speed rail infrastructure including a 3.37km viaduct, 16.04km twin-bored tunnel and five vent shafts handling both intervention and tunnel ventilation facilities.

Significant work has already started at Align's main site, the South Portal, which is located to the West of London and covers 136 acres.

Dedicated motorway slip-roads have been built to link the new site with the adjacent M25 and take construction traffic off local roads. Work is well under way to prepare the launch site from which two 2,000 tonne, 170m long tunnel boring machines will excavate the Chilterns tunnel through Buckinghamshire.

Our in-house Design Group provided drainage, foundation and road design along with geotechnical support for the tunnel and viaduct compound areas.

Early works have also included construction of a concrete precast plant where the 118,000 tunnel segments, each weighing on average 8.5 tonnes, will be made.

Just south of the main site will stand the Colne Valley Viaduct, which will be the longest railway viaduct in the UK at 3.4km long. It will carry HS2 across the Grand Union Canal and surrounding lakes. The 1,000 segments required for the viaduct will also be made on site at the South Portal and a separate batching plant is under construction.

Battersea Power Station Phase 3A, London

Widely recognised as the most architecturally complicated phase of the redevelopment of Battersea Power Station, Phase 3a is a vast residential scheme incorporating 536 luxury flats, a 167-room hotel and a street of shops that will form the gateway to the entire scheme.

Our project consists of three 16-storey buildings which sit above an enormous 3-storey shared basement that takes up much of the footprint of the site. Excavation involved removing more than 250,000m^3 of earth, enough to fill almost 100 Olympic swimming pools, and installing 421 ground anchors to allow the concrete substructure to be constructed.

The Claremont Building, Newcastle University

This refurbishment project is being delivered under the North Eastern Universities Purchasing Consortium (NEUPC) Framework. The ambitious project aims 'to make three buildings feel like one'. The three buildings, an 11-storey and 6-storey office block, together with a 4-storey 'bridge', crossing a busy 'blue light' road, require extensive internal and external refurbishment.

Pedestrian corridors are maintained in areas where student footfall can reach 3,000 students per day.

Peninsula Hotel, Grosvenor Place, London

Located on Hyde Park Corner, one of the busiest interchanges in central London, the Peninsula Hotel will provide 190 luxury hotel rooms, complete with restaurants, bars, meeting facilities, retail units, a spa, swimming pools and a ballroom, as well as 28 managed apartments.

We are working closely with neighbouring residents and businesses, including embassies and other international class hotels, to minimise disruption to their day-to-day activities and operations.

Canal Turn, The Island Quarter, Nottingham

Canal Turn is the first phase of The Island Quarter in Nottingham, one of the City's largest regeneration schemes in decades.

The mixed-use development will include a waterfront pavilion featuring two restaurants, along with events space and a rooftop terrace.

Pinewood Studios, Iver, Buckinghamshire

We continue to build on our successful six-year partnership with the Pinewood Group with the award of the next phase of the studios' ambitious expansion plans.

Previous projects have successfully delivered more than 248,000 sq ft of studio space at the Pinewood site, alongside significant external works.

We are currently working to provide a further five sound stages arranged over three plots. The stages feature a complicated building envelope designed to meet Pinewood's acoustic requirements.

M6 Junction 19 Improvement Scheme, Knutsford

The delivery of the M6 Junction 19 improvement scheme forms part of a comprehensive upgrade of Manchester's southern access.

We are constructing a new bridge which will run through the existing roundabout and over the M6, creating a better traffic flow between the motorway and the A556.

These improvements will speed up journeys and reduce congestion around the roundabout itself, which already provides a free-flow link from the Knutsford and Bowdon bypass onto the southbound M6. There will also be improvements for pedestrians and cyclists.

Through its collaborative working culture, the integrated project team has solved numerous technical challenges and driven innovation.

We are delivering the scheme in joint venture with Amey as one of Highways England's Delivery Integration Partners.

Morello II, Croydon, London

The residential scheme will provide 456 residential units across three separate buildings in South Croydon.

The Morello Estate, which consists of two 25-storey towers, will be home to 338 residential apartments, whilst the adjacent Cherry Orchard Gardens, a 9-storey building, will provide 118 units for shared ownership and social rent. In addition to the new homes, the development also includes retail and commercial space, new public realm and a new link bridge to East Croydon train station.

Hockley Mills, Birmingham

Hockley Mills is a new mixed-use development in the Jewellery Quarter of Birmingham City Centre.

The reimagined former warehouse will provide a vibrant new place to live in the historic Jewellery Quarter. Together with Capital Ventures, our in-house development company, we have worked through the preconstruction services period to deliver a cost-effective build to rent scheme with 395 apartments and 28,000 sq.ft. of commercial space.

Gateway Central, London

The Gateway scheme presents the next stage in the regeneration of the former BBC Media Village site to promote White City Place as a media, technology and creative industries hub.

Gateway Central is an 11-storey steel-framed building providing approximately 380,000 sq.ft. of Grade A office accommodation, together with ground floor retail and amenity space.

Adjacent to the project and separated by a new landscaped avenue, Gateway West will provide a 4-storey Grade A office building.

Edinburgh Park Phase 1

Edinburgh Park is set to become a new urban quarter combining exciting urban living with work and recreation. At its heart will be a new civic square which we will create in a future phase.

We are currently delivering a brick clad, 4-storey commercial building. The ground floor features food and beverage units which can be transformed into complete performance event spaces. Work is also progressing on a multi-storey car park and a sub station which will provide on-site power to the current and wider development.

Guild Living Urban Village, Bath

We have been appointed by Guild Living to deliver its first urban village in the UK. Located in the Western Riverside area of the city, this new community for later living will comprise 309 homes arranged across four blocks.

Set across a 4.5 acre site, the development will also include multi-generational amenity spaces, including a children's nursery, café and bar, library and gym.

Mustard Wharf, Leeds

Under construction alongside the Leeds and Liverpool Canal, Mustard Wharf is a private rented scheme providing a total of 247 studio, one, two, and three-bedroom apartments across three blocks.

Our team has had to overcome the logistical challenges of building next to the canal and working in close proximity to the railway station.

Towards the end of 2020 we secured the contract to deliver a further 245 homes at the historic Tower Works site, located close to Mustard Wharf in the South Bank area of the city centre.

Gateshead Quays

We have been appointed to deliver the new arena, conference and exhibition centre on Gateshead Quayside. The 'game-changing' waterfront development includes a 12,500-capacity arena; 6,300m^2 of conference and exhibition space; two hotels, bars, restaurants, car parking and extensive areas of public realm.

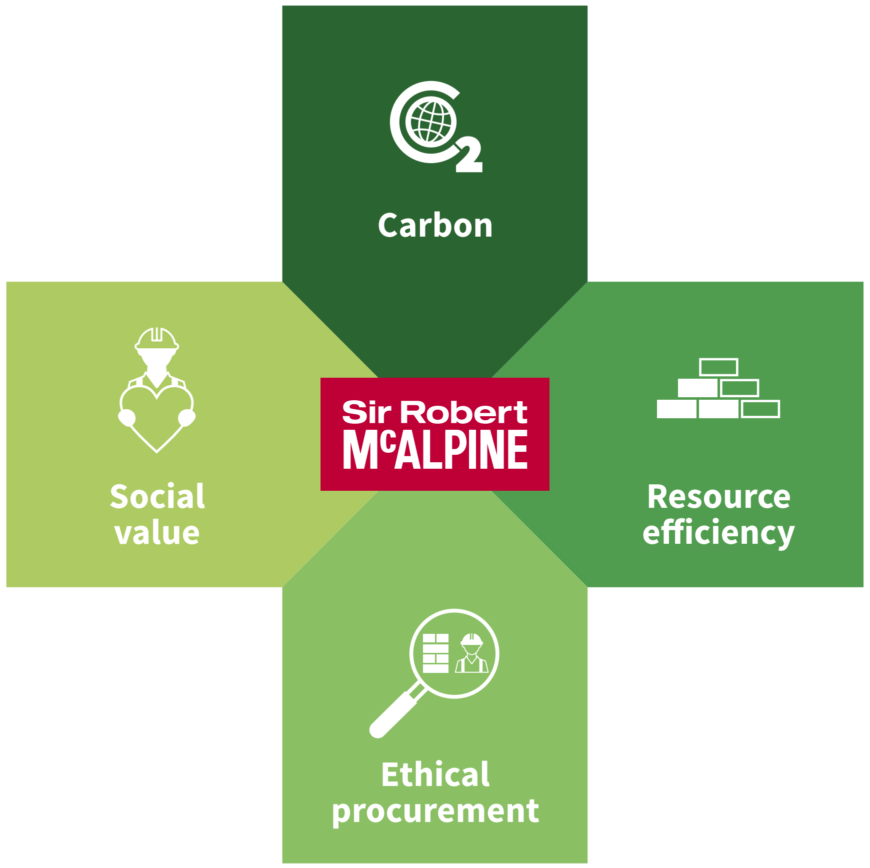
Building positive futures

Our sustainability strategy

2020 saw the roll-out of our new sustainability strategy, which will continue until 2025 across our operations. This strategy builds upon the successes and lessons learned from our previous strategies to establish a direction that delivers our clients' needs, is agile and aligned to our business objectives, with a vision to:

"Create positive futures for the environment and society"

To deliver our vision we're focussing on four categories:



With company-level targets for each category:

Carbon
Net Zero Carbon by 2025

Resource efficiency
Year-on-year reduction in waste generated (Tonnes/£m turnover)

Ethical procurement
Responsible sourcing of our goods and services

10% of project audited using Site Engagement Surveys

Social value
Year-on-year increase in Social Value delivered (£)

At project level we've given our teams a framework of deliverables and the freedom to target and implement actions which are relevant to the work they are delivering on each contract. This ensures that effort is concentrated on making a real, tangible difference as well as increasing buy-in and understanding of sustainability across our operations.

Rolling out a new sustainability direction in 2020 certainly had its challenges. However, we've made great progress towards our company targets:

* Apprenticeships, school visits, jobs created, community events, charitable giving, volunteering etc

** Measured in tonnes of construction waste generated per £m turnover

Carbon

We are committed to being a Net Zero Carbon business by 2025. Having delivered a 60% reduction in our scope 1&2 emissions for 2018/19 (based on 2008 baseline), this year we have been formalising the necessary workstreams to transition to a Net Zero Carbon business model.

The energy and carbon reporting (SECR) section of this report details our emissions this year, as well as some of the actions we have been implementing to reduce them.

As an organisation we are committed to playing our part in tacking the climate emergency we find ourselves in, using our voice and collaborating to deliver less carbon-intense solutions.

To support this, in 2019/20 we were a founding signatory of the "#UKContractorsDeclare" movement, which is "committing to strengthen our working practices to create buildings and infrastructure assets that have a more positive impact on the world around us."

Resource efficiency

We're looking higher up the waste hierarchy, focusing our efforts on implementing actions to root out waste in our business. Our mature reporting systems enable us to understand where our waste is coming from, and our target is to deliver a year-on-year reduction in waste (measured in tonnes/£m turnover). This year, the focus on reducing waste, as opposed to diverting it from landfill, has begun to reap benefits, with a 4% reduction in construction-waste generation.

The greater use of design-out waste workshops across our business has been a success, which we will look to replicate across our operations, highlighting the issues and solutions needed to combat wastage in our business and the industry as a whole.

Ethical procurement

The procurement of our goods and services in a manner which is in line with our business values is important to us. Therefore, our new strategy targets and champions the ethical procurement of both materials and labour across our operations.

We're looking at our supply chain through a different lens, analysing labour practices across our sites, using Site Engagement Surveys. These surveys enable us to gain an insight into the practices of our supply-chain partners with whom we directly contract, as well as those with whom we don't but who are still present on our sites.

Covid-19 presented challenges with regard to carrying out in-person site engagement surveys, but we have continued to audit our supply chain's processes and procedures, including assessing tier 2 members of the supply chain through Labour Practice Audits. We conducted 17 of these audits over the course of the year.

We will continue to shine a light on labour practices, and to be a strong voice and advocate for transparency, fairness, and equality across the industry.

Riverside Salford, Manchester

Social value

2019/20 saw us place social value as one of the categories of our sustainability strategy. In doing this we ensured that we forecast, plan and deliver improved social value across our operations, at scale. Typical deliverables include school engagements, apprenticeships, local labour, local spend, job creation, charity, volunteering, etc. And this year, despite the obvious challenges, we've adapted and continued to deliver against this measure.

We have invested in a third-party accredited tool to provide a consistent metric across the varied outcomes and aid our forecasting, targeting and delivery. 2019/20 saw this tool rolled out alongside our sustainability strategy.

We've established a benchmark dataset with which to monitor future improvements, and, despite a difficult year, our projects delivered over 500 social-value related activities.

The stories behind our performance

Carbon

Resource efficiency

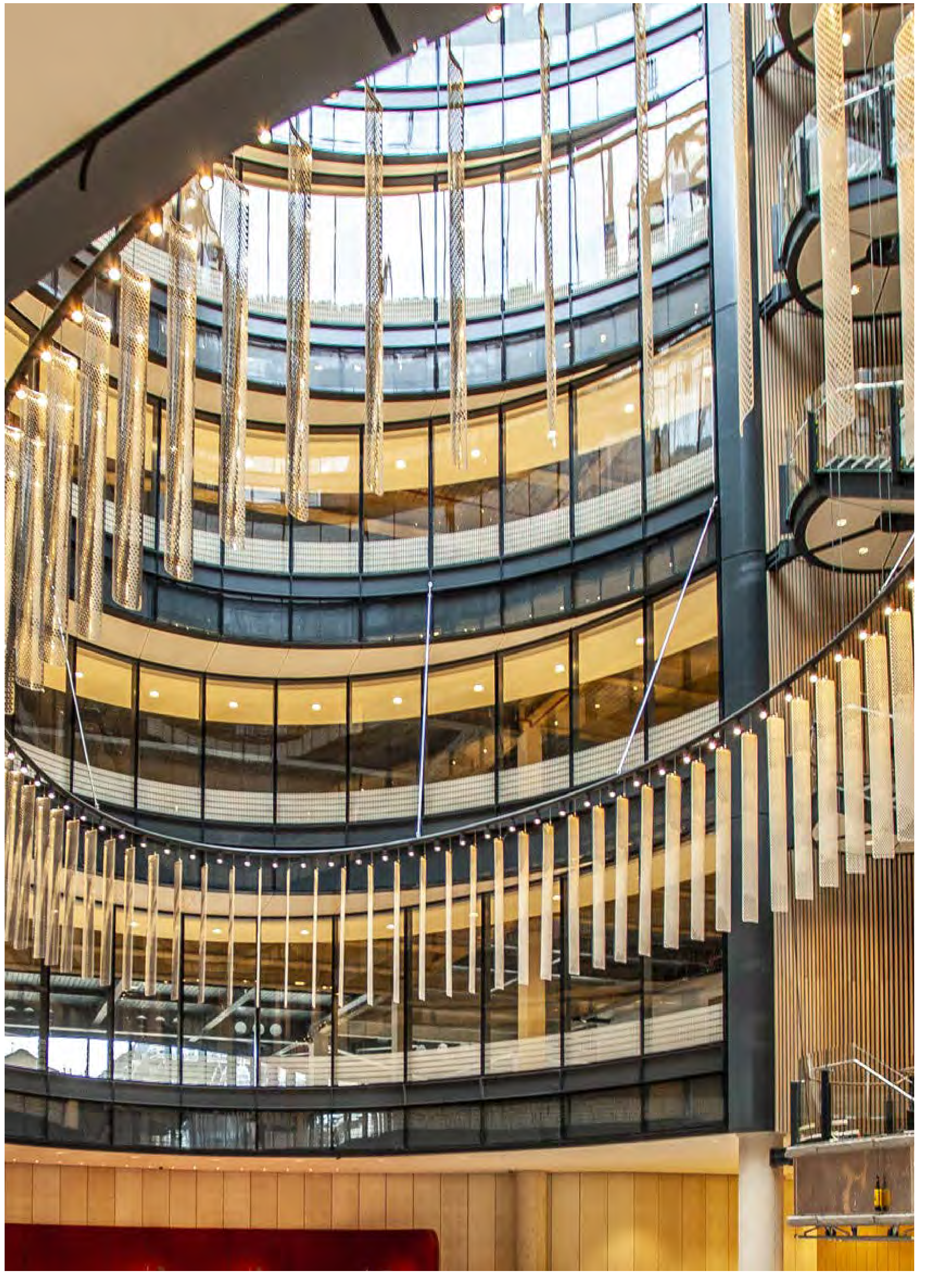
Embodied carbon savings

100 Liverpool Street

This project converted a tired 1980s building into a new benchmark for London offices, one with sustainability as a key driver. We worked with our Client and Design Team to retain and reuse as much of the existing structure as possible. For example, 32% of the steel frame was reused saving 3,435 tonnes of carbon, and 49% of all concrete used in the project was retained and reused saving a further 4,086 tonnes of carbon.

Where new materials were needed, lower carbon choices included 51% secondary aggregates and 44% cement replacement in the concrete. The impacts were quantified using the RICS framework for whole-life carbon and the independently verified results showed an embodied carbon intensity of 395kg CO2e per m^2.

The building was also certified BREEAM 'Outstanding' and Wired 'Platinum', with all electricity from renewable sources.



Carbon

Resource efficiency

Ethical procurement

Social value

Circular economy in action
Battersea Phase 3B, London

Through embedding sustainability expertise into the team and the establishment of a multidisciplinary sustainability leadership group, this project is highlighting what we can deliver when we consider sustainability as a key driver in project delivery.

A pre-demolition audit and engagement with the trade contractors identified that bricks from the southern boundary wall were suitable for use in the final development. By changing the demolition methodology to salvage the bricks, a total of over 4,500 bricks have been palleted for reuse.

This equates to over 9.5 tonnes of re-used material, saving 2.8 tonnes of embodied carbon.

Carbon

Resource efficiency

Resource efficiency and carbon
M6 Junction 19, Knutsford

Maximising resource efficiency on our civil engineering projects not only delivers environmental benefits, it also reduces nuisance to the local community and reduces costs for our clients.

On the M6 junction 19 improvement scheme we've reused site-won materials to reduce waste and the need to import virgin materials to site.

61,692m^3 of fill has been stockpiled on site for reuse in the final works. Carbon saving: 2,372 tonnes.

Incorporating the crane mats into the final works saved 2,278 tonnes of aggregate and associated transport impacts. Carbon saving: 33 tonnes.

Demolishing concrete barriers generated 153m^3 of fill which was reused on site. Carbon saving: 2 tonnes.

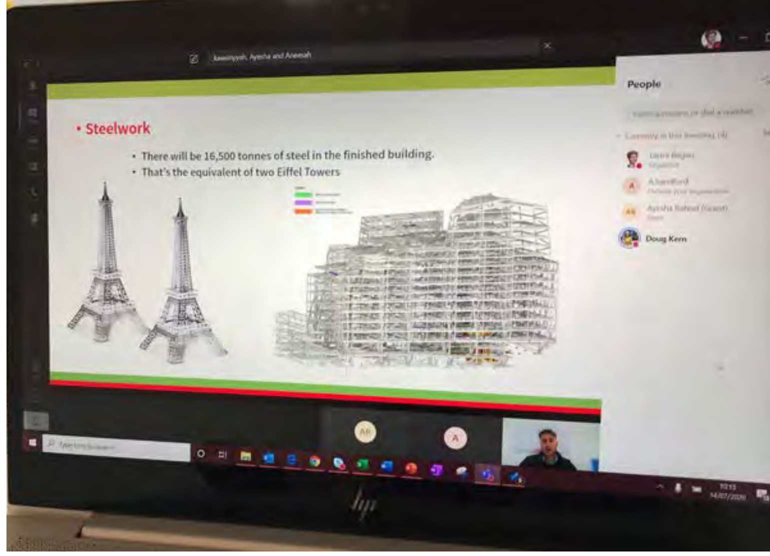
Social value

Positive social value impact
A19, Teeside

Embracing our company drive to improve social value the A19 team, in 2019/20, set out to target and deliver a programme of wide ranging and impactful social value activities. Using our Social Value Tool, we've calculated that the programme delivered a Social Value Return on Investment (SVROI) of £4 million.

When we take into consideration the safeguarded jobs as a result of the works, and upskilling provided to the workforce throughout the year, the SVROI total increases to £17.5million.

Add to this the £17.9 million of direct economic impact through local spend and labour and it gives a total of £35.4 million of social value delivered in the year on the project.



Social value

Remote learning
Company wide

In the face of the Covid-19 pandemic, we had to adapt our approach to deliver against our aims. For example, moving our planned work experience with the Clapton Girls Academy online. Students joined calls with various team members over the course of a week, learning about different roles and routes into the industry.

They were given a virtual site tour and an overview of the site progress using our site cameras and set a design challenge which they presented to the Sir Robert McAlpine team.

Ethical procurement

Modern slavery
Company wide

Despite the challenges presented by Covid-19 we continued to work towards our objectives, and further progressed our work in this area.

We carried out third-party audits across our supply chain to better understand the challenges and potential issues that may exist.

This year we've also trained our supply-chain partners on the topic of modern slavery, in conjunction with the Supply Chain Sustainability School (SCSS) to educate and increase awareness of this issue.

Our Modern Slavery report can be read here.

Social value

Giving back to local communities

February 2020 saw the launch of our Strong Foundations Grant, giving back to the local communities surrounding Manchester and Salford. Those eligible to apply for the grant included:

- Informal and formal community groups
- Local charities and local branches of national charities
- Schools and educational organisations
- Not-for-profit organisations
- Social enterprises

Further information on our Strong Foundations Grant is provided on page 22

Community groups applied for a grant and were awarded up to £3,000 each to support their projects. The selection criteria requested that the successful initiatives increase community cohesion as well as boost wellbeing.

Energy and carbon reporting (SECR)

The table below represents Sir Robert McAlpine Ltd's energy use and associated emissions from electricity and fuel in the UK for the 2019/20 reporting year. The scope of this data includes all of our construction sites and both permanent and temporary offices:

Our carbon measurement and verification processes continue to evolve as we look to reduce our emissions in line with our NZC commitment. Emissions reported correspond with our financial year and include all areas for which we have operational control in the UK, excluding joint ventures. Our boundary included full Scope 1 and 2 as well as Scope 3 business travel (where the company is responsible for purchasing the fuel) emissions. The emission factors used to calculate our emitted CO2e are UK Government Conversion Factors for greenhouse gas (GHG) reporting for both 2019 and 2020.

Greenhouse gas emissions (GHG) and energy usage

GHG emissions and energy usage data for period 1 November 2019 to 31 October 2020

2020	Item	UK and offshore
01	Emissions from combustion of gas (Scope 1 – tonnes of CO2e)	3,209
02	Emissions from combustion of fuel for transport purposes (Scope 1 – tonnes of CO2e) i.e. fleet vehicles	752
03	Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 – tonnes of CO2e)	956*
04	Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 - tonnes of CO2e)	798
	Total gross CO2e based on above	**5,715**
05	Energy consumption used to calculate emissions	kWh
06	Tonnes of CO2e per £m revenue	6.97

* Whilst we are transitioning to a Renewable Energy Guarantees Origin (REGO)-certified renewable energy supply with zero carbon emissions, the 956 tonnes of CO2e emitted are due to existing contracts which could not be amended, or through a client supply and hence outside of our control.

Energy efficiency actions taken

During 2019-20 we have taken a number of steps to improve energy efficiency. These include:

- Renewable-energy tariff procured.
- Revision of our sustainability strategy to focus on carbon reductions, with a commitment to achieve Net Zero Carbon by 2025.
- Our company strategy provides projects with a list of meaningful actions that are implemented to reduce carbon emissions. These actions, when aggregated across the business, will reduce our overall emissions. Our strategy and a selection of examples are shown on the preceding pages.
- Automated reporting rolled out to capture carbon-emissions data.
- We are committed to an annual reduction in carbon emissions and signed up to the Carbon Trust Standard which will provide independent verification of our emissions and certify against that Standard.

Climate related risk and our responses

Climate change exposes us to both operational and transition risks as a business. This includes, for example, the impacts of extreme weather events and supply chain shortages on our operations, and increased regulation and oversight affecting the viability of existing products or services. Future risks also include the potential liability for emitting greenhouse gases, holding companies to account for their impact on climate change under the "polluter pays" principles.

We needed to act, and 2020 saw us revise our sustainability direction with more focused action around carbon reduction and a commitment to being Net Zero Carbon (NZC) by 2025. We have joined forces with a number of our peers in declaring a Climate Emergency, through developing and being founding signatories of the **Contractors Declare movement**.

Our policies and processes have been revised to reflect our NZC ambition, and we have implemented meaningful actions to drive down our carbon emissions across our operations. Our focus is on reducing emissions, and we have a phased approach to delivering our NZC ambition which prompts action, committing to an annual reduction in our carbon emissions.

In 2019/20 we signed up to the Carbon Trust Standard, to provide transparency on this approach, ensuring that we drive a culture of carbon reduction across our operations. We are currently being audited against the standard, which is only awarded to companies and organisations who measure and reduce their carbon emissions year on year. We expect to gain this certification in Q3 of 2020/21 and this will be an important step on our NZC pathway.

With ambiguity surrounding NZC pledges, we felt it important to gain third-party certification on our processes and it doesn't stop with the Carbon Trust. We are currently undertaking the necessary engagement and workstreams to get our carbon reduction commitment verified against the Science Based Target Initiative in 2020/21.

Addressing the Climate Emergency aligns to our business objectives and our vision of "proudly building Britain's future heritage".

It also makes commercial sense, as embedding a sustainable business model into our operations will reduce risk exposure and bring opportunities. For example, the solutions needed to address climate change will require collaboration and innovation at scale to provide solutions which are less carbon intensive, bringing access to new markets. The delivery of our sustainability ambitions will also improve our resource efficiency and productivity, reducing associated costs.

Importantly, transitioning to an NZC business model will build resilience against future legislative changes and tax reforms implemented by the Government in support of their commitment for the United Kingdom to be NZC by 2050.

2019/20 has seen us formalise our response to the Climate Emergency and commit to making the necessary changes to adapt our business. We will be a strong advocate for the need to address this as a collective, sharing best practice and communicating our achievements and lessons learnt in an open and transparent way.

Strategic report

Chief Financial Officer's review

Financial summary

Turnover

£819.5m
2020

£1,009.2m
2019

Gross (loss)/profit

(£9.8m)
2020

£33.8m
2019

Administrative expenses *

£25.9m
2020

£19.9m
2019

Other operating income

£9.5m
2020

£1.2m
2019

Operating cash flow

£9.0m
2020

£34.0m
2019

Taxation credit/(charge)

£3.4m
2020

(£0.03m)
2019

Cash and cash equivalents

£96.7m
2020

£94.0m
2019

Net assets

£55.8m
2020

£79.3m
2019

* Including exceptional charge of £5.1m (2019: £Nil) in respect of Covid-19 restructuring costs

Turnover

Statutory revenues for the financial year of £819.5m were £189.7m lower than the prior year, primarily as a result of the Covid-19 pandemic sweeping through the global economy and impacting the UK from March 2020 onwards. At the commencement of the pandemic, the business along with almost all of the UK construction sector, closed all construction sites other than those deemed essential by the UK Government. A significant number of employees were furloughed, utilising the Government's Coronavirus Job Retention Scheme (CJRS) where applicable. All remaining staff were requested to work from home, to protect our employees and their loved ones.

This initial lockdown resulted in significantly lower revenues in April and May 2020 after which all sites were gradually and safely reopened and despite further lockdowns as the wider economy navigated its way through the pandemic, all construction activity has continued following the implementation of standard operating procedures, designed as part of our Build Sure pillars to ensure the safety and wellbeing of our people, projects, clients and the communities we work in. This has allowed the business to quickly reduce our use of the CJRS scheme and to redeploy employees back within the business. Whilst productivity levels have gradually increased during the course of the year to almost pre pandemic levels as the financial year closed, the implementation of these measures has inevitably resulted in reduced output and programme delays during the financial year.

Statutory turnover for the year excludes £441.0m (2019: £375.8m) in respect of Managed Turnover, for which the Company receives fees from third parties for managing the related contracts on their behalf.

Gross (loss)/profit

In addition to the direct impact resulting from the reduction in revenue, project profitability has been impacted by additional irrecoverable costs through the reduction in productivity, extended delivery programmes, and operating costs to ensure our projects are Covid-19 safe. Following a detailed risk review of the business in response to the pandemic, a further net increase of £14.8m in cost provisions was also made in respect of anticipated additional potential costs on old contracts, to help deal with the increasingly litigious environment in respect of defect rectification.

Payroll costs of £6.8m in respect of the majority of furloughed staff are included in cost of sales for statutory reporting purposes, with the equivalent CJRS grant income included in "Other operating gains". These factors, combined with the Covid-19 driven reduction in revenue, resulted in a £43.6m reduction in gross profit compared to the prior year.

Administrative expenses

As a direct consequence of the impact of the Covid-19 pandemic, the Board has taken action to put in place a "Safeguarding SRM" programme, streamlining both Head Office overhead and project resources across the business. Part of this restructure has already taken place, at a cost of £1.2m (comprising £1.0m re staff costs and £0.2m re onerous lease charges). The balance of the programme being completed over the course of the new financial year, at a further cost of £3.9m (comprising a provision of £3.7m re staff costs and £0.2m re onerous lease charges). The combined £5.1m impact of this restructure programme, included within Administrative expenses, has been reflected as an Exceptional Item in the Profit and Loss Account in line with our existing policy for disclosure of non-recurring, significant items.

A further £0.5m of payroll costs re the other furloughed staff are included in administrative expenses for statutory reporting purposes, again with the equivalent CJRS grant income included in "Other operating gains".

Other operating income

As explained above, total CJRS grant income of £7.3m is reported gross as income for statutory reporting purposes, whilst the related payroll costs are included within cost of sales and administrative expenses. The balance of other operating gains comprises R&D expenditure credits of £1.7m (up from £1.0m in the prior year) and £0.5m gains on disposal of tangible fixed assets (2019: £0.2m).

Taxation

The tax credit for 2020 is £3.4m (2019: charge of £0.03m), an effective rate of 12.7% (2019: 0.2%). This compares to the expected credit (2019: charge), based on the standard UK corporation tax rate of 19% (2019: 19%) of £5.1m (2019: £2.7m). The key reasons for the £1.7m (2019: £2.7m) reduction in the credit (2019: charge) compared to the expected amount were:

- Unrecognised deferred tax assets £4.4m (2019: £1.5m), mainly in respect of losses;
- Group relief surrendered for nil consideration £1.1m (2019: £nil); and
- Expenses not deductible for tax purposes £0.3m (2019: £0.2m);
- Offset by transfer pricing adjustments £1.7m (2019: 2.1m), prior year adjustments £1.3m (2019: £2.0m) and remeasurement of deferred tax assets and liabilities due to changes in UK tax rate £1.1m (2019: £0.4m) as a result of the cancellation of the planned 2% reduction in the rate of UK Corporation tax to 17% from April 2020.

Operating cash flow

At the commencement of the pandemic the SRM Board put in place a Covid-19 steering committee, to navigate through the initial crisis, and took the essential steps to protect the business including a robust programme to manage the Company's working capital and cash throughout the crisis.

Our focus, during Covid-19, was the safety of our people, progressing our projects for clients, and the stability of the business long-term. We were grateful to use the Government's CJRS during a period where we furloughed many of our employees. We also agreed temporary pay reductions with those employees who were retained in the business. These timely actions enabled our journey back to full productivity.

In addition, the Company benefited from the Government's tax deferral schemes in respect of settlement of PAYE and VAT liabilities for the period March to June 2020. The PAYE liability for that period was subsequently settled in full by the end of January 2021. Settlement of the VAT liability will commence in June 2021, utilising HMRC's deferral scheme in respect of VAT deferred due to Coronavirus.

Whilst ensuring that all cash opportunities were maximised, the cashflow to the Company's supply chain continued uninterrupted, so as to ensure the wider liquidity of the Company's subcontractors who are critical to the delivery of our projects. The Company is signed up to the Prompt Payment Code, and in 2019-20 the average time to pay invoices reduced from 34 to 30 days, invoices paid within 60 days increased from 90% to 93%, and invoices due and paid within agreed credit terms increased from 77% to 82%. We do not use any supplier finance arrangements.

As the business completed its navigation through the initial first wave of the pandemic, the Board finalised and implemented a Strategic Review of the business, and put in place an appropriate future lower-cost structure. This resulted in a significant streamlining of the overhead base, providing further resilience.

Despite the operating loss of £26.2m (2019: profit of £15.1m), the business generated an operating cash inflow for the year of £9.0m (2019: £34.0m) after adjusting for the impacts of a provisions increase of £18.7m (2019: £9.7m), an increase in net creditors of £6.9m (2019: decrease of £0.5m), and the non-cash depreciation charge of £8.2m (2019: £8.2m).

Cash and cash equivalents

The Company had cash balances of £96.7m (2019: £94.0m) at the year end and continues to have no debt facilities that are repayable on demand, nor debt covenants or restrictions. We remain well-placed to exploit opportunities within our chosen sectors, serving key clients whilst supporting our workforce, partners and supply chain. We will continue to prioritise profitability and liquidity over pure revenue growth.

Net assets

The £23.5m reduction in shareholders' funds arose due to the loss for the year, largely comprising a £18.7m net increase in provisions (£3.9m re Covid-19 business restructure as described above, and £14.8m re contracts), a £4.7m reduction in tangible fixed assets due to excess depreciation over additions, and a £6.9m reduction in non-cash working capital, offset by a £2.6m increase in cash and cash equivalents.

Outlook

We have a secured and nearly-secured order book totalling £2.2bn, equivalent to having 18 months of work to deliver. At the end of the first quarter for the financial year 2020-21 we have c.£910m of work already secured, and a further c£50m where we are working for clients under pre-construction services agreements. In addition, we have c£630m of our work already secured for 2021-22 and a further c£270m nearly secured providing a strong underpin for the business in the medium term. New business tenders continue at pace, and the awarding of work has continued to be better than was prudently forecast during the pandemic.

We expect to see a robust return to profitability in the coming year, driven in the main via an anticipated revenue increase by mid-2021 compared to 2019-20 as the impact of the pandemic begins to subside following the widespread rollout of vaccines and the normalisation of wider economic activity across the UK during the course of 2021.

Going concern

The Company has considerable financial resources. We have prepared cashflow forecasts to 30 April 2022, showing a base case with a downside scenario modelled against this. The base case shows the cashflow generated from secured and nearly-secured contracts, government assistance on Covid-19 related schemes, and short-term working capital needs.

The downside scenario demonstrates the potential continued impact of Covid-19 in terms of reduced order intake, delayed settlements and increased contract related remedial work cash outflows. This pessimistic but plausible downside demonstrates that sufficient cash headroom can still be maintained throughout the period, with the Company comfortably able to continue to deliver on committed contracts.

Whilst margins are generally lower in the contracting business, we are all the same fortunate in that we do not have a large direct workforce and all of our work on site is subcontracted to third parties and this generally represents around 70-80% of revenues. As a consequence, if the work is not completed then neither are any subcontractor liabilities incurred or payable as well as a significant proportion of other direct and indirect costs. This in itself further mitigates substantially the financial impact of delays in work being completed across the business.

With our substantial secured and nearly-secured pipeline, which can be financed without any material impact on the Company's working capital and cashflow whilst continuing to meet our supply chain's standard payment terms, the Board are confident in their ability to present these financial statements on a Going Concern basis.

Principal risks and uncertainties

The approach to identification and management of principal risks is integral to the delivery of our strategic objectives. The risk-management approach adopted is not designed to eliminate risk entirely, but to provide a means to identify, prioritise and manage risks and opportunities in accordance with the Company's risk appetite.

On behalf of the Board, the Risk and Assurance committee reviews the Company's risk register quarterly, ensuring both the relevance of existing risks, and the capturing of emerging risks on a timely basis, and appropriate mitigation plans are put in place. The principal such risks are set out below:

Macroeconomic and geopolitical changes

Principal risk

Whilst on 24 December 2020 negotiations were completed in respect of the UK-EU Trade and Cooperation Agreement ("UK-EU TCA"), uncertainty remains regarding the impact of labour, materials and administration on the Company's business.

Potential business impact

The potential impact on labour availability, and the risk of increased costs due to currency fluctuations and disruption to the supply chain, is a concern for the industry as a whole.

Mitigation

The Company continues to plan and monitor our exposure on these issues on a project-by-project basis, working in close collaboration with our clients, supply chain and various industry bodies. In addition, a specific review of our critical supply chain partners occurs on a frequent basis, assessing operational risks and associated mitigation plans.

Covid-19

Principal risk

The Covid-19 pandemic has created a major disruptive influence on the economy and the UK Construction industry.

Potential business impact

The longer-term impact of the virus is under constant consideration across the market, with the risk of reduced productivity amongst employees and the workforce, and of delays in critical supplies.

Mitigation

We are closely collaborating with our clients, supply chain and various industry bodies, to monitor the economic impact, and we are poised to take further action if considered necessary to ensure business stability.

Management of major contracts and bidding risk

Principal risk

The risks that the Company is exposed to depend on the size and complexity of a project together with the legal form of the related contract.

Potential business impact

Failure to maintain discipline in our tendering activity, and-or, to properly manage our contracts and other projects could result in poor financial performance, with an adverse impact on the viability of the Company.

Mitigation

The Company maintains strong risk-based procedures, with particular emphasis on the tendering process and change management. Project governance is an embedded policy in the Company, which ensures that all opportunities are risk assessed, from both a technical and a commercial perspective. The Company's Investment committee reviews and approves all contract opportunities and monitors their progress through to completion. Monthly reports are received on all projects, and key commercial risks identified and assessed.

Prevention of build quality issues

Principal risk
Quality issues arising out of defective work.

Potential business impact
These have both a financial and reputational impact on the Company, which is excessive and difficult to fund and manage.

Mitigation
Increased focus on technical competence and quality of delivery. We have appointed a Head of Technical Compliance to lead the Company's response to the Building Safety Bill.

The attraction, development and retention of high-quality staff with the necessary talent, capability and experience

Principal risk
Recruitment, training, development and retention of appropriately-skilled staff.

Potential business impact
The availability of competent resources to match the needs of the industry is vital to the success and effective operation of the Company.

Mitigation
An active People strategy is being deployed, addressing, amongst other things, our employee proposition, engagement, succession planning and inclusion.

Health, safety and wellbeing ("HS&W")

Principal risk
The nature of the Company's contracts and projects carries inherent risks of HS&W issues.

Potential business impact
The potential for personal or environmental harm, operational loss, regulatory, legal or financial penalties and/or reputational loss.

Mitigation
The Company has a primary focus on health, safety and wellbeing, and continues to invest in the functional leadership, management policies and procedures, and new ways for communication and learning. Weekly senior leadership HS&W reviews are held, and also Workforce Engagement Workshops, with a focus on behavioural safety.

Competitive environment

Principal risk
The sector in which the Company operates is highly competitive, and typically operates on low margins.

Potential business impact
Failure to compete effectively, and to evolve to client needs, increases the risk of losing market share and ultimately the future viability of the Company.

Mitigation
The Board monitors continually the sectors in which the Company operates, pursuing opportunities in which competitive advantages exist. In addition, our key account client focus ensures that we adapt to their needs in an agile manner.

Management of the brand and reputation of the Company

Principal risk
The Company has been in existence for over 150 years, and has a widely-recognised brand name and reputation in the market.

Potential business impact
Any actions or publicity which adversely impact on its reputation could have a material impact on the Company's ability to secure new work and to attract and retain key talent.

Mitigation
Reputational risks are formally reviewed each quarter, and managed in conjunction with professional third-party support. The Company is a visible promotor and leader on ethical issues e.g. the Modern Slavery and Bribery Act, and internal training is mandated on high-risk areas, with policies in place to reinforce behaviours.

Systems and data protection

Principal risk
Disruption to the Company's operations, and-or, financial systems from IT failure, cyber-threats or other loss of data, or contravention of data protection laws.

Potential business impact
The loss, corruption or theft of key systems or data could have a material impact on the Company's operations, with the potential for regulatory fines, or financial loss due to business disruption.

Mitigation
The Company has robust security protocols embedded in its current IT environment, which are periodically stress-tested both internally and by third parties, including cyber-security specialists whose area of focus includes hardware, electronic communications and use of cloud-based systems.

Defined benefit pension schemes

Principal risk
The Company participates in two defined benefit pension schemes, maintained by the ultimate parent company, each of which has a deficit.

Potential business impact
Failure to properly manage these schemes could result in an increase in the deficit, and-or, the risk of an accelerated recovery plan being enforced by the Pensions Regulator, both of which could significantly impact the Company's liquidity.

Mitigation
Robust recovery plans are in place, and funding arrangements are agreed with scheme Trustees, with regular reviews of the funding position. Independent external advice is also obtained as part of the Company's ongoing deficit-mitigation strategy. Investment performance is monitored, with advice on strategy obtained by the Trustees from independent experts, in addition to input from the Company.

Section 172 Companies Act 2006

The requirements of Section 172 Companies Act 2006 have become effective for the Company in respect of accounting periods commencing on or after 1 January 2019. This report details how the Directors of the Company comply with these new requirements and have taken them into consideration as part of their decision-making process during the year to 31 October 2020.

The role of the Board

The Board's overarching responsibility is the long-term success of the Company, achieved through the generation of sustainable value whilst also considering the interests of the Company's stakeholders. The successful achievement of this responsibility recognises the need to maintain a good relationship with those stakeholders, acknowledging their role in the Company's success. The Board determines the Company's strategy, monitors performance against its strategic objectives, and reviews the Executive Leadership Team's implementation of the Board's strategy.

The key issues considered by the Board on an ongoing basis comprise:

- **The Company's long-term strategy and direction;**
- **Ongoing review of Health, Safety and Wellbeing performance against targets;**
- **Approval of the Company's budgets and capital expenditure;**
- **Organisational changes, including business restructures, new business ventures and the acquisition and/or disposal of significant assets;**
- **Brand and reputation management;**
- **Changes in key policies across the Company; and**
- **Monitoring the effectiveness of the Company's systems of internal control, governance and risk management.**

The Board has appointed an Executive Leadership Team to manage the implementation of its strategy. Some of the Board's governance responsibilities are similarly delegated to a number of committees. Details of these committees are set out in the Corporate Governance Report on pages 88-93.

Board governance

The Directors have opted to apply "The Wates Corporate Governance Principles for Large Private Companies" for the year ended 31 October 2020. These principles, endorsed by the Financial Reporting Council ("FRC"), provide a code of corporate governance for large private companies, to raise awareness of good practice and, over time, to improve standards of corporate governance. In addition, these principles provide a framework for the Directors to meet the requirements of Section 172 of the Companies Act 2006 by providing guidance on the following areas:

a. Purpose and leadership;

b. Board composition;

c. Directors' responsibilities;

d. Opportunity and risk;

e. Remuneration; and

f. Stakeholders.

To understand how these principles have been applied during the financial year, see the Corporate Governance Report on pages 88-93.

Activities of the Board in the year ended 31 October 2020

The Board's core agenda for consideration at each meeting is aligned to the Company's operational and reporting cycles. It also includes the monitoring of progress against strategic priorities, risk management issues, and the ongoing review of the Company's systems of Internal Control.

In recognition of the importance of stakeholder engagement for the Company's long-term future, the Directors consider the impact on stakeholders as a key element of their decision-making process. Decisions are made, in good faith, for the benefit of both its members and its stakeholders, taking into account the following matters set out in Paragraphs a to f of Section 172 of the Companies Act 2006:

Section 172 requirements a – f

a | The likely long-term consequences of any decisions;

The Board monitors its five-year strategy on a quarterly basis, using the Company's financial Key Performance Indicators re profitability and liquidity, and shares the updated strategy with the wider business annually. Likewise progress on the Company's operating performance is measured against non-financial "Build Sure" strategic targets, to ensure that the Company remains on course to deliver our vision. Our Build Sure commitment sets out five clear targets against which projects are measured - their quality, safety, sustainability, and delivery both on time and on budget.

The Board also meets regularly to review economic, political and market conditions, and considers their impact on the Company's strategic direction. Members from the Executive team maintain regular contact with the business through virtual Call & Connect sessions via Teams, and also a keep a rota of site visits to engage with our workforce on site.

In 2019, the Board undertook an analysis of the market, and engaged with the workforce to conduct a formal strategic review that was completed in June 2020. In addition, the Board identified and considered the challenges caused by Covid-19 in order to organise the Company in such a way as to protect the business and all of its stakeholders.

b | The interests of the Company's employees;

The Board considers both the retention of our existing workforce and the attraction of new talent as business critical. As a family business, whose success is based on people, the welfare of our employees is our number one priority.

In line with our strategic ambition to be the Best Place to Work, the Board is committed to creating a truly inclusive culture in which everyone is welcome, helping to inspire industry-wide change.

In January 2020, the Board approved our new industry-leading Family First policies, which bring greater parity to parental leave. In line with our focus on driving inclusion, the Board has also opted to support the Flex Appeal campaign, initially launched by campaigner Anna Whitehouse. In our ambition to pursue true flexible working for everyone, we intend to address mental health, thus helping to tackle the issue of male suicide in construction, provide better work-life balance for employees, and reduce the gender pay gap.

Keeping everyone safe is of paramount importance to us. When the Covid-19 pandemic hit, we responded quickly by closing down our sites and making them Covid-19 secure, in order to offer a safe return to work in compliance with government and industry guidelines. As part of our Build Sure commitment, our focus on Health, Safety and Wellbeing is relentless throughout the year.

At the start of each year, an Annual Conference allows the Board to share the strategic direction of the business with all employees. In addition to ongoing communications and newsletters, quarterly briefings offer formal channels to update the business on regional and national performance.

Our internal communications channels, which include an internal web platform, social network, regular newsletters, and social media, facilitate two-way communication between the Board and the Company's employees.

An anonymous "monthly pulse" survey also allows the Board to keep abreast of employees' sentiment, and to take action quickly to address any emerging issues. A 24/7, independently-run "Whistleblowing" hotline is also maintained, to address employee grievances which cannot be raised with and resolved by direct line management.

Section 172 Companies Act 2006

c | The need to foster the Company's business relationships with suppliers, customers and others;

Maintaining sustainable and trustworthy relationships, with both our supply chain partners and our customers, is at the heart of our strategy and builds on our 152-year reputation as an established family business with strong values.

Our decade-long relationship with Maggie's Cancer Care Centres is an example of the bonds we create with our partners and clients. In this financial year alone, we have built three new Maggie's Care Centres across the country. Throughout the years, our people have committed to raising £1million for Maggie's through charitable activities.

Our Employee Net Promoter Score, which measures employee loyalty and how likely employees are to recommend the business, is currently 25. This is 16 points above the True Benchmark score of 9, placing us in the upper quartile in our business sector.

Besides establishing strong trusting bonds, the Board recognises the importance of paying our partners on time in order to support their cash flow and performance. The Company is signed up to the Government's Prompt Payment Code. In 2019-20 the average time to pay suppliers' invoices was 30 days, and 93% of invoices were settled within 60 days. On-time payment is monitored regularly, with 82% of suppliers' invoices paid in accordance with agreed credit terms in the year ended 31 October 2020.

We maintain a regular flow of communication with our stakeholders, including supply chain newsletters, and community newsletters for specific projects. Our supply chain partners are fundamental to our success. We seek to maintain a transparent and fair procurement process, allowing our supply chain to understand our requirements and work with us collaboratively. We evaluate the performance of our supply chain in a fair and objective manner, and encourage our partners to provide feedback against the same standards.

d | The impact of the Company's operations on the community and environment;

We are a strong, independent family-run business that has experienced and adapted to many changes and events throughout our 152-year history. Our vision is to proudly build Britain's future heritage.

We have a clear purpose beyond just profit, and the Board will accept nothing less than leaving a positive and lasting legacy on communities and on the environment as a result of our actions.

Building on the success of the previous Sustainability Roadmap introduced in 2016, the Company launched a new five-year Sustainability Strategy for 2020-2024, designed to deliver year-on-year improvements and targets in four categories: net zero carbon emissions; resource efficiency; ethical procurement; and social value. The Energy and Carbon Reporting (SECR) report on page 76 highlights the measures we are taking to improve energy efficiency.

To celebrate our 150th Anniversary in 2019, we launched a charitable programme to finance local community projects selected by our people. These projects will continue to benefit local organisations well beyond our milestone celebration.

To make sure that the impact on the communities in which we operate is positive, long-lasting and measurable, we have teamed up with the organisation Semble to offer a Strong Foundations Grant. This grant is shared between local organisations, which are encouraged to apply to fund their projects. In February 2020, a pilot was launched for the Greater Manchester area, which saw 12 community groups receive a Strong Foundations Grant. This is now being extended to all of our regions.

e | The desirability of the Company maintaining a reputation for high standards of business conduct;

The Board is fully supportive of our Ethics Commitment, which articulates what we are doing to uphold our values and to challenge those who fail to meet our high standards.

To fulfil our ambition to be the Best Place to Work, we are ardently committed to promoting an inclusive culture in which everyone feels welcome and which reflects the diversity of our society.

We take the issue of Modern Slavery very seriously, and have opted to play a leading and active role in the fight against it. Our actions are reported annually in our Modern Slavery Statement. As a Tier-1 contractor, we feel it is our responsibility and duty to engage with our supply chain partners to raise awareness on Modern Slavery, and to support their efforts in the battle against it.

We were one of the first to actively engage with the Gangmaster and Labour Abuse Authority (GLAA) and continue to do so. A key component of the protocol is to share knowledge and best practice with our peers.

We have a positive commitment and open approach to whistleblowing, in line with our values of being honourable and acting responsibly.

f | The need to act fairly as between members of the Company

Sir Robert McAlpine celebrated its 150th Anniversary in 2019, and the business is 100% family-owned. The McAlpine family is still actively involved in the Company's governance and is committed to the success of the business. During our 152-year history as a strong independent family business, we have developed the foresight and experience to adapt, evolve, and capitalise on new opportunities.

In consultation with our people, we have established the core values by which we live and operate: we treat each other like family, we deliver engineering excellence, we are honourable, responsible, and enterprising.

The Board has a clear mandate to fulfil its commitment towards maintaining the integrity of the business, in the face of market and economic challenges, and developing our operations to best serve our clients, thereby preserving the value of the Sir Robert McAlpine brand for the benefit of the shareholders as well as the large number of other stakeholders.

Approved by the Board on 28 April 2021
and signed on its behalf by:

Paul C Hamer
Director

Corporate governance report

Board of Directors

Directors' attendance at Board meetings held during the financial year were as set out below:

Director	Meetings held	Meetings attended
R Edward T W McAlpine (Chair)	12	12
Hector G McAlpine	12	12
Paul C Hamer	12	12
Karen J Brookes	12	12
J Leighton More BA, FCA	12	12
Alison L Cox C.Eng, FICE (appointed 1 January 2020)	10	9
Boyd A McFee BSc., C.Eng., MICE, FCIOB (resigned 31 December 2019)	2	-

Directors and advisors

Directors

The names of the Directors who held office during the year, and up to the date of signing this report, are set out in the Directors' report on page 94.

Company Secretary

Kevin J Pearson BSc., ACA
John A Dempsey BA, ACMA, CGMA

Independent auditor

Deloitte LLP
Statutory Auditor
London

Principal bankers

Lloyds Bank plc
25 Gresham Street
London EC2V 7HN

Registered office

Eaton Court
Maylands Avenue
Hemel Hempstead
Hertfordshire
HP2 7TR
United Kingdom

Structure of the reporting lines to the Board

Risk and assurance committee

The former Risk committee met on a quarterly basis up to 31 December 2020, with a mandate from the Board to review and act upon both existing and newly-identified commercial, financial and business risks reported in the Company's Risk Register (see Principal risks and uncertainties on page 81-83 in the Strategic Report). Such reviews included the development and monitoring of mitigating strategies and action plans to counter the identified risks.

With effect from January 2021, the Board has established a new Risk and Assurance committee, as the co-ordinating body for managing risk across the entirety of the Company, as part of an expanded Enterprise Risk Management ("ERM") framework. This enhanced committee embraces both the existing Risk committee mandate and, additionally, audit assurance (internal audit and oversight of external audit), Business Ethics (including Whistle-blowing), ISO and other accreditations, and covers the wider business support functions. As well as the development and implementation of the Company's ERM framework, the committee will be responsible for identifying entity-level risks and opportunities and agreeing entity-level controls.

This new committee comprises the Chief Financial Officer, the Head of Legal, and the Director of each of People & Infrastructure, Strategy, Marketing & Communications, and Engineering & Technical Services), and reports quarterly to both the SRM Board and a Supervisory Board Risk committee - responsible for defining the Company's strategic risk appetite, and approval of major projects and business opportunities - whilst liaising closely with the Executive Leadership Team and the SRM Board.

Investment committee

This committee is responsible for consideration and assessment of significant potential new contracts and new business opportunities, and monitors the progress of contracts through to completion.

Audit committee

Sir Robert McAlpine Limited ("The Company", "SRM") does not have a separate Audit committee. The Company's ultimate holding company, Newarthill Limited, has an audit committee comprising 2 members, and this committee's responsibilities cover both Newarthill Limited and each of its subsidiary companies, including Sir Robert McAlpine, the main such subsidiary company. In addition to review and consideration of each company's Annual Report and Accounts, and challenging the respective companies' management with regard to key judgements, estimates and assumptions contained therein, the Audit committee is also responsible for monitoring the effectiveness of systems of internal control, the resolution of key accounting issues, and managing the relationship with the Independent Auditor, as well as assessing the performance of that Independent Auditor. The Independent Auditor attends the year-end meeting, and other meetings by invitation, along with the Company's Chief Financial Officer.

Remuneration committee

Responsible for setting overarching remuneration policies and objectives for the business, including appropriate remuneration and incentive arrangements for the Directors and senior management. Policies are designed to ensure the Company's competitiveness in the marketplace in order to retain and motivate key staff. The committee has a delegated authority matrix from the SRM Board, owned by the Director of People & Infrastructure, Karen Brookes, who is a member of the committee.

Corporate governance disclosure

As described in the Strategic Report on page 84, the Board of SRM has chosen to apply The Wates Corporate Governance Principles for Large Private Companies, as a framework to satisfy the new corporate governance disclosure requirements applicable to company reporting for financial years starting on or after 1 January 2019. Set out below is an explanation of how the Board has applied the Wates Principles over the financial year.

Principle 1 – Purpose and leadership

The Board has agreed the implementation of a five-year strategy which supports our vision to proudly build Britain's future heritage.

This strategy remains on course to create a business which is client-led and project-focused, whilst improving our agility and ability to respond to changes in the market.

Its progress is measured along six distinct strands:

- Profitable growth through Build Sure
- Trusted client, consultant and supply-chain relationships
- Strength and resilience
- Be the Best Place to Work
- Industry experts in our chosen sectors
- Use of technology and data to inspire and improve

The five-year strategy was communicated to the whole business during live events across the country.

As a family business, we harbour strong values that inform our behaviours and promote a culture of true excellence and inclusion: we are honourable, we treat each other like family, we are enterprising, we deliver engineering excellence, and we are responsible.

In autumn 2019, the Board engaged with the business to conduct a strategic review, the objective of which was to ensure we were organised in the most effective and efficient way to best serve our clients.

Our Build Sure framework sets out our commitment to delivering excellence in everything we do. It sets out five clear targets against which we measure our projects: quality, safety, sustainability, as well as delivery on time and on budget.

In order to leave a positive legacy as a result of our actions, a new sustainability strategy was introduced which defines clear year-on-year improvement targets in four categories:

- Net zero carbon emissions
- Resource efficiency
- Ethical procurement
- Social value

Guided by our core values of being honourable and responsible, we operate in an unquestionably ethical manner. The Board is committed to upholding the highest standards of ethics at all times, aiming beyond what we should do as a business to further our industry, support our people and nurture long-lasting relationships with our supply chain partners and clients. We have introduced our Ethics Commitment, which articulates what we are doing to uphold our values and challenge those who fail to meet our high standards.

We have been an active member of the Gangmaster and Labour Abuse Authority (GLAA). A key component of the protocol is to share knowledge and best practice with our peers. To help us in our fight against modern slavery and human trafficking we have established and implemented a supply chain assessment programme.

To support its ambition for Sir Robert McAlpine to be the Best Place To Work, the Board has committed to leading on inclusion and diversity and inspiring industry-wide change. As a result we have backed Flex Appeal by flexible working campaigner Anna Whitehouse, and supported research with a view to introducing sustainable flexible working for everyone, thus promoting inclusion, better mental health, wellbeing, and the reduction of the gender pay gap in the industry.

In early 2020, we introduced industry-leading, family-friendly policies to bring more parity in parental leave.

The Board communicates business strategy updates and financial performance results via a variety of internal and external channels, which include an internal conference every January, road shows, quarterly briefings, Call & Connect sessions, newsletters, website articles, social media, press releases, annual reports, and more.

A monthly anonymous survey provides the leadership team with a measure of the pulse of the business. This provides precious data to understand how well the business strategy is understood company-wide, what daily issues the workforce is facing and how to address them in a timely manner, to ensure that the workforce is empowered to deliver their best.

We have a zero-tolerance approach to bribery and a positive commitment to whistleblowing, in line with our values of being honourable and acting responsibly.

Principle 2 – Board composition

Following a strategic review initiated by the Board, and carried out in consultation with the business, a new governance structure was introduced in 2020. The Executive Leadership Team ("ELT") was formed as a result of this review, creating one equal and united team of leading industry experts at the helm of the business.

Edward McAlpine is Chair of the SRM Board, the purpose of which is to set out the strategic direction of the business.

The SRM Board is composed of:

Edward McAlpine,
Chair & Executive Partner

Hector McAlpine,
Executive Partner

Paul Hamer,
Chief Executive Officer

Leighton More,
Chief Financial Officer

Karen Brookes,
Executive Director of People & Infrastructure

Alison Cox,
Executive Director of Engineering & Technical Services

Chief Executive Officer Paul Hamer, leads the ELT, which is the Company's main decision-making body and is accountable to the SRM Board for the overall performance of the business.

The Executive Leadership Team is composed of:

Paul Hamer,
Chief Executive Officer

Karen Brookes,
Executive Director of People & Infrastructure

Alison Cox,
Executive Director of Engineering & Technical Services

Leighton More,
Chief Financial Officer

Grant Findlay,
Group Strategy Director

Lynda Thwaite,
Group Director of Marketing & Communications

Steve Hudson,
Group Commercial Director

Ian Cheung,
Managing Director South

Tony Gates,
Managing Director Civil Engineering

Mark Gibson,
Managing Director North

Paul Heather,
Managing Director London

The Board recognises the importance of being inclusive and treating everyone equally as business critical. They have made a commitment to lead by example on inclusion and to inspire industry-wide changes. There are currently three female Directors on the ELT, two of whom are also on the SRM Board: Executive Director of People & Infrastructure, Karen Brookes; Group Director of Marketing & Communications, Lynda Thwaite; and our first ever female Executive Director of Engineering & Technical Services, Alison Cox.

Sir Robert McAlpine runs role-model programmes across the business, to provide additional support for female employees with a view to ensuring a strong pipeline of future leaders.

The Directors consider their ongoing professional development as a responsibility and undertake both individual and collective CPD.

The anonymous Pulse survey, which is sent out to all employees every month, contains questionnaires relating to the leadership and provides each Board member with a complete evaluation of their performance on a monthly basis. This helps the Board to communicate better with the workforce, convey greater clarity on the strategic direction of the business, and plan for the most effective actions.

Principle 3 – Director responsibilities

The SRM Board meets monthly and has delegated the day-to-day operation of the business to the Executive Leadership Team.

The Executive Leadership Team meets fortnightly to review the performance of the business in operational and support areas across all regions. The agenda of these meetings includes a review of the strategic and financial key performance indicators, as well as the measures of our Build Sure framework for delivery of exemplary projects safely, on time, to the highest quality and in a sustainable manner.

To ensure operational effectiveness, a company management system (CMS) and a suite of policies are in place. Policies are reviewed and the CMS is audited by an external accreditor.

With employees' wellbeing at the core of the business, HR matters are also addressed, particularly with the review of the monthly Pulse survey results, which provide our people's perspective on management and business-wide issues in real time.

When in March 2020 the impact of the global pandemic was felt, in both the business and the wider economy, the Board put the welfare of all the people who work for us first, and formed a Covid-19 Steering Group to drive the business effectively through the crisis. One of the Board's ongoing priorities is to monitor and adapt to the pandemic's evolving situation, whilst contributing to the industry's response by collaborating with industry bodies.

Principle 4 – Opportunity and risk

The Board's approach to the identification and management of principal risks is integral to the delivery of our strategic objectives. The risk-management approach adopted is not designed to eliminate risk entirely, but provides a means to identify, prioritise and manage risks and opportunities in accordance with the Company's risk appetite.

On behalf of the Board, the Risk and Assurance committee reviews the Company's risk register on a quarterly basis, ensuring the relevance of all existing risks and that emerging risks are captured and appropriate mitigation plans put in place.

Assessment of new business opportunities is carried out by the Board's Investment committee.

Principle 5 – Remuneration

The Remuneration committee is responsible for setting remuneration and incentivisation strategy and policies across the business and determining the appropriate level of remuneration for the Directors and senior management, so as to ensure that salaries are fair and aligned with the industry, in order to retain and attract the best talent and build the best workforce. The committee has a delegated authority from the SRM Board, owned by the Executive Director of People & Infrastructure, Karen Brookes, who is a member of the committee.

The business conducts an annual review of salaries, which is based on a formal performance review process for each individual. Our policy is to reward people fairly, in line with their skills, expertise, performance and merits.

Principle 6 – Stakeholders

The Board recognises the need to maintain effective communication with the Company's key stakeholders, in order to be able to deliver on its strategy and to protect its brand and reputation.

In addition to the shareholders, the Board considers the Company's key stakeholders to comprise its workforce, retired and future employees, customers, supply chain, industry bodies, local authorities, MPs and community groups.

Throughout its 152-year existence, the Company has built robust and trusted relationships with our key stakeholders, whether they be our loyal employees, specialist partners or valued clients.

On the occasion of our milestone anniversary, we launched a new website to communicate more effectively with our external audiences. This online platform states clearly our values, culture, policies, commitments and services, as well as career opportunities. In addition, it contains a dynamic hub of news and comment, enabling us to keep external audiences informed of our projects, our people and the Company's performance. To complement our website, we also manage a suite of social networks, amongst the most popular channels in existence, in order to disseminate our content and engage with our stakeholders.

Building trusted and lasting relationships with our supply chain is at the core of our business strategy. We produce targeted newsletters to connect with our partners and keep them informed of initiatives that create value for them.

We are signed up to the Government's Prompt Payment Code, to protect the cash flow of our business partners. In 2019-20 the average time to pay suppliers' invoices was 30 days, and 93% of invoices were settled within 60 days. On-time payment of suppliers is monitored regularly, with 82% of suppliers' invoices paid in accordance with agreed credit terms in the year ended 31 October 2020.

In order to help our subcontractors to tackle the issues of modern slavery and human trafficking, we have produced an assessment programme and work in close collaboration with them to identify and address the occurrence of such issues.

Leaving lasting, positive legacies where our projects are situated, and engaging with the local communities, is also paramount. When we can safely do so, we organise opportunities to meet face to face with them, as well as producing both online and printed sources of information specifically for them.

Internally, we make use of a number of channels which allow two-way communication between our people and the Executive Leadership Team. Our dedicated internal online platform constitutes the hub, with news and useful information about departments, functions and people. Our social network is a powerful knowledge-sharing tool. To complement these information sources, we issue weekly and bi-monthly newsletters. We also make use of online webinars, and Call & Connect sessions via Teams, to allow the Executive Leadership Team to share regular updates with the business and to answer people's questions.

In addition to our Employee Network, which constitutes a formal channel empowering our people to create positive change with the Board, we have set up Affinity Networks in seven categories: working families, abilities, social mobility, LGBT+, cultural diversity, gender, and age. These Affinity Networks are also run by our people and help to drive our inclusion strategy and policies.

In order to reach the people who work on site with key information, or to address specific issues, we organise dedicated toolkit talks and poster campaigns to complement the existing, regular site briefings.

Every January we run an Annual Conference, to share with our employees the strategic objectives of the business and the outlook for the year ahead.

Directors' report for the year ended 31 October 2020

The Directors present their report for the year ended 31 October 2020. This report should be read in conjunction with the Strategic Report on pages 78-87.

Directors of the Company

The directors who held office during the year and up to the date of signing this report were as follows:

R Edward T W McAlpine

Hector G McAlpine

Paul C Hamer

Karen J Brookes

Boyd A McFee BSc., C.Eng., MICE, FCIOB (resigned 31 December 2019)

J Leighton More BA, FCA

Alison L Cox C.Eng, FICE (appointed 1 January 2020)

Results and dividends

The loss for the year before taxation amounted to £26,793,000 (2019: profit of £14,454,000). No interim dividends were paid during the year (2019: £nil). The Directors do not recommend the payment of a final dividend (2019: £nil).

Stakeholder engagement

The Company's stakeholders include not just its shareholders but also its employees, its customers, its suppliers and a number of other interested parties. The Board recognises that it needs to address the interests of its employees, and to foster its business relationships with suppliers, customers and others, and the manner in which these interests and relationships are dealt with by the Directors is set out above, in the Strategic Report, under Section 172 Companies Act 2006 (b) and (c) respectively.

Equal opportunities

The Company gives full and fair consideration to applications for employment made by disabled persons where they have the necessary aptitude and abilities. Where employees become disabled, the Company endeavours to continue their employment provided there are duties which they can perform despite their disabilities.

The Company is an active equal-opportunities employer and promotes an environment free from discrimination and victimisation. Employees are treated equally and fairly, and selection for training, promotion, career progression and other benefits is made solely on merit and ability to perform against role profiles.

The Company is committed to growing a diverse pool of talent for the purposes of long-term succession planning.

Health, safety and wellbeing

The Directors are committed to the effective management and monitoring of health and safety, to providing a safe working environment for employees, and to keeping members of the public with whom the Company comes into contact free from harm. Further details regarding Health and Safety can be found in Principal risks and uncertainties, within the Strategic Report, on page 81-83.

Research and development

The Company has a continuous programme of research into and development of its construction methods and techniques, focussing on the efficiency and safety of materials used, energy consumed and working practices.

Energy and carbon reporting

The Company's Energy and carbon reporting statement (SECR) can be found on page 76.

Share capital

Details of the Company's share capital are set out in note 22 to the financial statements.

Future developments

Details of future developments can be found in the Strategic Report and form part of this report by cross reference.

Going concern

The Company has considerable financial resources and carries no debt other than finance leases. Following the Covid-19 pandemic, the Directors have prepared cashflow forecasts to 30 April 2022 showing a base case with a downside scenario modelled against this. The base case shows the cashflow generated from secured and nearly-secured contracts, government assistance on Covid-19 related schemes and short-term working capital needs. The downside scenario demonstrates the effect of reduced order intake, delayed settlements and increased remedial cash outflows. This was designed to establish a pessimistic but plausible downside, and demonstrates that under such a scenario sufficient cash headroom could still be maintained throughout this period.

Taking this into account, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies note in the financial statements.

Donations

During the year the Company made no political donations (2019: £nil).

Directors' indemnities and insurance

Third-party indemnity provisions made by the ultimate parent company on behalf of all Directors of the Company were in force for the entire financial year.

Disclosure of information to the Independent Auditor

Each of the Directors in office at the date of approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's Independent Auditor is unaware; and
- Each Director has taken all the steps that they ought to have taken as a Director in order to make themself aware of any relevant audit information and to establish that the Company's Independent Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with Section 418 of the Companies Act 2006.

Reappointment of Independent Auditor

Deloitte LLP is deemed to be reappointed as Independent Auditor under section 487(2) of the Companies Act 2006.

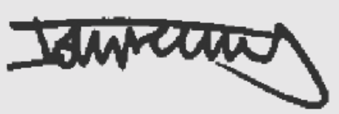
Post balance sheet events

On 24 December 2020 the UK Government announced that a Brexit trade agreement had been reached, such that there would be no tariffs or quotas on the movement of goods, originating in either place, between the EU and the UK, when the UK left the EU's single market and customs union from 23:00 on 31 December 2020.

The successful development and roll-out of effective Covid-19 vaccines are clearly a positive and welcome step in the global fight against the pandemic. However the discovery of various mutations, together with continued growth in numbers of new cases, are such that considerable uncertainty remains as to the timing of social and economic recovery from the virus. Steps to mitigate the impact on the Company from Covid-19 have been implemented, as described more fully in the Strategic report.

The Chancellor in his Budget Statement on 3 March 2021 announced an increase in the rate of Corporation tax for large companies from 19% to 25% with effect from 1 April 2023. This is not expected to have a material impact on the level or recoverability of the deferred tax assets recognised by the Company at 31 October 2020.

Approved by the Board on 28 April 2021
and signed on its behalf by:



John A Dempsey BA, ACMA, CGMA
Company Secretary

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) comprising FRS 102 "The Financial Reporting Standard applicable in the United Kingdom 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 of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

The Directors 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.

Independent Auditor's report to the members of Sir Robert McAlpine Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Sir Robert McAlpine Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 October 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the Cash Flow Statement; and
- the related notes 1 to 29.

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 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

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

We have nothing to report in this regard.

Independent Auditor's report to the members of Sir Robert McAlpine Limited

Responsibilities of directors

As explained more fully in the Directors' Responsibilities statement, 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.

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.

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 any material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

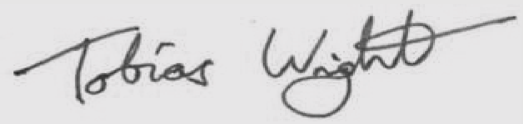
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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.



Tobias Wright (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor
London, United Kingdom
28 April 2021

Profit and loss account for the year ended 31 October 2020

	Note	Before exceptional items 2020 £ 000	Exceptional items* 2020 £ 000	2020 £ 000	Before exceptional items 2019 £ 000	Exceptional items* 2019 £ 000	2019 £ 000
Turnover	3	**818,767**	**699**	**819,466**	1,009,223	-	1,009,223
Cost of sales		**(828,012)**	**(1,275)**	**(829,287)**	(977,803)	2,371	(975,432)
Gross (loss)/ profit		**(9,245)**	**(576)**	**(9,821)**	31,420	2,371	33,791
Administrative expenses	5	**(20,812)**	**(5,077)**	**(25,889)**	(19,896)	-	(19,896)
Other operating income	4	**9,504**	**-**	**9,504**	1,249	-	1,249
Operating (loss)/profit	6	**(20,553)**	**(5,653)**	**(26,206)**	12,773	2,371	15,144
Other interest receivable and similar income	7	**137**	**-**	**137**	51	-	51
Amounts written off investments		**(188)**	**-**	**(188)**	(138)	-	(138)
Interest payable and similar expenses	8	**(536)**	**-**	**(536)**	(603)	-	(603)
		(587)	**-**	**(587)**	(690)	-	(690)
(Loss)/profit before tax		**(21,140)**	**(5,653)**	**(26,793)**	12,083	2,371	14,454
Taxation	12	**2,316**	**1,074**	**3,390**	(28)	-	(28)
(Loss)/ profit for the financial year		**(18,824)**	**(4,579)**	**(23,403)**	12,055	2,371	14,426

* Exceptional items are explained in Note 5 to the financial statements

The above results have been derived from continuing operations.

Statement of comprehensive income for the year ended 31 October 2020

	2020 £ 000	2019 £ 000
(Loss)/profit for the financial year	(23,403)	14,426
Remeasurement loss on post-retirement medical schemes (note 21)	(165)	(27)
Deferred tax relating to remeasurement loss on post-retirement medical schemes	50	9
	(115)	(18)
Total comprehensive (expense)/income for the year	(23,518)	14,408

Balance sheet as at 31 October 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Tangible assets	13	25,070	29,809
Investments	14	4	4
Other financial assets	15	6,773	6,592
		31,847	36,405
Current assets			
Stocks	16	442	670
Debtors due in less than one year	17	234,596	225,460
Debtors due in more than a year	17	24,047	28,931
Cash and cash equivalents	18	96,675	94,045
		355,760	349,106
Creditors: Amounts falling due within one year	19	(273,603)	(267,514)
Net current assets		82,157	81,592
Total assets less current liabilities		114,004	117,997
Creditors: Amounts falling due after more than one year	19	(19,245)	(18,659)
Provisions for liabilities	20	(33,379)	(14,655)
Net assets excluding post-retirement medical scheme		61,380	84,683
Post-retirement medical scheme	21	(5,589)	(5,374)
Net assets		55,791	79,309
Capital and reserves			
Called up share capital	22	67,750	67,750
Profit and loss account	23	(11,959)	11,559
Total equity		55,791	79,309

Approved and authorised by the Board on 28 April 2021 and signed on its behalf by:

Paul C Hamer
Director

Company number: 00566823

Statement of changes in equity for the year ended 31 October 2020

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 November 2019	67,750	11,559	79,309
Loss for the financial year	-	(23,403)	(23,403)
Other comprehensive loss	-	(115)	(115)
Total comprehensive loss	-	(23,518)	(23,518)
At 31 October 2020	67,750	(11,959)	55,791

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 November 2018	67,750	(2,849)	64,901
Profit for the financial year	-	14,426	14,426
Other comprehensive loss	-	(18)	(18)
Net comprehensive income	-	14,408	14,408
At 31 October 2019	67,750	11,559	79,309

Cash flow statement for the year ended 31 October 2020

	Note	2020 £ 000	2019 £ 000
Net cash flow from operating activities	24	9,022	33,951
Cash flow from investing activities			
Purchase of tangible fixed assets	13	(3,066)	(10,868)
Sale of tangible fixed assets		1,247	2,723
Purchase of investments	15	(334)	(320)
Net cash flow used in investing activities		(2,153)	(8,465)
Cash flow from financing activities			
Interest received		137	51
Interest paid		(271)	(182)
Repayment of finance lease obligations		(4,105)	(4,310)
Net cash flow used in financing activities		(4,239)	(4,441)
Net increase in cash and cash equivalents		2,630	21,045
Cash and cash equivalents at beginning of year		94,045	73,000
Cash and cash equivalents at end of year		96,675	94,045

Notes to the financial statements for the year ended 31 October 2020

1 | General information

The Company is a private company limited by share capital, incorporated in Great Britain and registered in England and Wales.

The address of its registered office is:

Eaton Court
Maylands Avenue
Hemel Hempstead
Hertfordshire
HP2 7TR
United Kingdom

These financial statements were authorised for issue by the Board on 28 April 2021.

2 | Accounting policies

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

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation
These financial statements have been prepared using the historical cost convention except, as disclosed in the accounting policies, certain items are shown at fair value.

Qualifying entity exemptions from FRS 102
The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of certain disclosure exemptions available to it in respect of its separate financial statements. Such exemptions have been taken in relation to financial instruments, for which disclosures are provided in the consolidated accounts of Newarthill Limited, the ultimate parent company.

Group accounts not prepared
The financial statements contain information about Sir Robert McAlpine Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the financial statements of Newarthill Limited, a company incorporated in the United Kingdom.

Going concern
The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report. The financial position of the Company is set out in the Balance Sheet and the accompanying notes to the financial statements. The Company has no borrowings other than fixed-rate finance leases, and has no material foreign exchange transactions or balances, and hence has no significant interest rate or exchange rate risk.

The Company has considerable financial resources. Following the Covid-19 pandemic, the Directors have prepared cashflow forecasts to 30 April 2022, showing a base case with a downside scenario modelled against this. The base case shows the cashflow generated from secured and nearly-secured contracts, government assistance on Covid-19 related schemes, and short-term working capital needs. The downside scenario demonstrates the effect of reduced order intake, delayed settlements and increased remedial cash outflows. This was designed to establish a pessimistic but plausible downside, and demonstrates that under such a scenario sufficient cash headroom could still be maintained throughout this period.

Taking this into account, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Critical judgements in applying the Company's accounting policies
The Directors do not consider there to be any critical judgements involved in the application of the accounting policies for the preparation of the financial statements.

Key sources of estimation uncertainty
Turnover
The turnover policy, described below, requires forecasts to be made of the outcomes of long-term construction contracts, which require assessments and judgements to be made on the recovery of pre-contract costs, changes in the scope of work, contract programmes, defects liabilities and changes in costs. There are several long-term construction contracts where the Company has incorporated significant judgements over contractual entitlements. To a large extent, the Company's profitability depends on costs being accurately calculated and controlled, and projects being completed on time. The cost calculations made at the project-portfolio level are subject to a number of assumptions. Therefore, if the estimate of the overall risks or calculations of the revenues or costs of one or more contracts prove inaccurate, or circumstances change, then this could result in a positive or negative change in underlying profitability and cash flow.

Deferred tax
Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will arise against which the temporary differences will be utilised. Management estimates are required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits. £4,026k of £10,688k deferred tax assets recognised at 31 October 2020 is expected to be recoverable within 12 months, but this recoverable amount is subject to achievement of forecast taxable profits in the financial year then ended.

Provisions
Provisions (see note 20) are made for the costs expected to be incurred on completed contracts where remedial works have been identified. These provisions require management's best estimate of the costs that will be required to complete contracts based on contractual requirements. It is impracticable to estimate the timing of the related cash outflows and discounting, unless material, has therefore not been applied.

Significant accounting policies

(a) Exceptional items
Section 5 of FRS 102 deals with the presentation of total comprehensive income for the reporting period. FRS 102 requires material items to be disclosed separately on the face of the profit and loss account in a way that enables users to assess the quality of a company's financial performance. In practice, these are commonly referred to as "exceptional" items, but this is not a concept defined by FRS 102, and therefore there is a level of judgement involved in determining what to include as "Exceptional". We consider items which are non-recurring, or significant in size or in nature, to be suitable for separate presentation (see note 5).

(b) Revenue recognition
Turnover represents the value of civil engineering and building work carried out during the year and includes the Company's share of turnover in jointly-controlled operations.

Construction turnover is recognised by reference to the stage of completion at the reporting date when the outcome of individual contracts can be estimated reliably. Construction turnover is recognised on the basis of the proportion of total costs incurred at the reporting date compared to the estimated total costs of the contract at completion. Estimates of the final out-turn on each contract may include cost contingencies, to take account of the specific risks that have been identified within each contract. The cost contingencies are reviewed on a regular basis throughout each contract's life, and are adjusted where appropriate. The Directors continually review the estimated final out-turn on contracts, and in certain limited cases, assess amounts recoverable from insurers, and make adjustments where necessary.

Construction turnover includes variations in contract work, which are recognised when it is probable that they will be agreed by the client and the amounts can be measured reliably. Construction turnover also includes claims which are recognised when negotiations have reached an advanced stage, such that it is probable that the client will accept the claim and the amount can be measured reliably.

Profit is recognised on long-term contracts only once the final outcome can be assessed with reasonable certainty, by including turnover and cost of sales within the profit and loss account as the contracts progress.

(c) Government grants
The Company benefits from Research and Development Expenditure Credits receivable from the UK Government, in respect of eligible expenditure during the period. These grants are recognised on an accruals basis as income during the year.

During the current financial year the Company was able to claim certain employment costs in respect of "furloughed" staff, under the Government's "Coronavirus Job Retention Scheme". Such grants are also recognised on an accruals basis as income during the year.

(d) Foreign currency transactions and balances
Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. The exchange movements are dealt with in the profit and loss account.

(e) Tax
Tax for the year comprises current tax and deferred tax. Tax is recognised in the profit and loss account, except where an item of income or expense is recognised within other comprehensive income, in which case the related tax is also recognised within other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and on unused but recoverable tax losses or tax credits in the group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date, and equals the highest amount that is more likely than not to be recovered based on current and expected future taxable profits.

(f) Tangible fixed assets
Tangible fixed assets are stated at cost, less accumulated depreciation and any accumulated impairment losses.

The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

(g) Depreciation
Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their respective estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	Reducing balance at either 5% or 10% per annum, or straight-line on cost at 2% per annum
Furniture, fittings and equipment	Straight-line on cost between 5% and 10% per annum
Property, plant and equipment	Reducing balance between 20% and 60% per annum.

(h) Investments in subsidiaries
Investments in subsidiaries are stated at cost less any impairment.

(i) Jointly-controlled operations
Construction contracts carried out as a joint arrangement without the establishment of a legal entity are joint operations. The Group's share of the results and net assets of these joint operations are included under each relevant heading in the income statement and the balance sheet.

(j) Other fixed asset investments
Investments in equity shares which are publicly traded, or where the fair value can be measured reliably, are initially measured at fair value, with subsequent changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded, and where fair value cannot be measured reliably, are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest rate method. Dividends on equity securities are recognised in income when receivable.

(k) Cash and cash equivalents
Cash and cash equivalents can include cash in hand, call deposits, and other short-term highly-liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

(l) Trade debtors
Trade debtors are amounts due from customers for services performed in the ordinary course of business, and are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

(m) Stocks
Raw materials and consumables are stated at the lower of cost and estimated selling price, less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

(n) Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is such an unconditional right then they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

(o) Provisions
Provisions are recognised when the Company has a present legal or constructive obligation at the reporting date as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

When the effect of the time value of money is material, the amount of a provision is the present value of the amount expected to be required to settle the obligation. The discount rate uses a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. The risks specific to the liability are reflected either in the discount rate or in the estimation of the amounts required to settle the obligation, but not both.

(p) Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation in the Balance Sheet so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

(q) Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

(r) Dividends
Dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

(s) Defined contribution pension obligation
A defined contribution plan is a pension plan under which contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions, even if the fund does not hold sufficient assets to pay all members the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expenses when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

(t) Defined benefit pension obligation
The Company operates a defined benefit pension scheme whereby a member will receive a benefit on retirement, usually dependent on one or more factors such as years of service and remuneration.

The liability is recognised in the balance sheet of Newarthill Limited, the ultimate parent company. More information can be found in note 21, and full disclosure of the scheme is shown in the financial statements of Newarthill Limited.

As the assets and liabilities of the pension scheme are recognised within Newarthill Limited, the Company accounts for the charges against the scheme as if it were a defined contribution scheme.

3 | Turnover

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2020 £ 000	2019 £ 000
Contracting	**819,466**	1,009,223

All turnover is generated in the United Kingdom.

4 | Other operating income

The analysis of the Company's other operating income for the year is as follows:

	2020 £ 000	2019 £ 000
Coronavirus Job Retention Scheme grants	**7,310**	-
Research and Development Expenditure Credits	**1,668**	1,008
Gain on disposal of property, plant and equipment	**526**	241
	9,504	1,249

5 | Exceptional items

As outlined in the Strategic Report within the Company's 2019 Annual Report and Accounts, at the beginning of the Covid-19 crisis we closed all our sites and furloughed initially 52% of employees. We gradually recommenced work, bringing our people back off furlough as and when it was safe and timely to do so. These cautious and considered actions were imperative to preserve cash flow and ensure appropriate liquidity. However, regardless of all actions taken, Covid-19 has significantly impacted our financial results in the current year, which has necessitated a programme of restructuring, part of which has already been undertaken at a cost of £1.2m (comprising £1.0m relating to staff costs and £0.2m relating to lease charges). The balance of the restructuring programme is expected to be completed over the course of the next 12 months, at a further cost of £3.9m (comprising a provision of £3.7m relating to staff costs and £0.2m relating to lease charges – Note 20).

Following a strategic review in 2017, it was determined that the Company would no longer participate in the construction of Energy from Waste facilities, where there was contractual responsibility taken for process risk. The Company considered this to be a business stream exit. Consequently, all revenues and directly associated costs are presented in the accounts as exceptional items. The exited businesses did not meet the definition of discontinued operations as stipulated by FRS 102, because neither the business nor any assets related to it were disposed of. Accordingly, the disclosures within exceptional items differed from those applicable to discontinued operations. In the current year, turnover relating to this business is £0.7m (2019 - £nil). The charge for costs relating to this business was £1.3m (2019 - credit of £2.4m).

6 | Operating (loss)/profit

Arrived at after charging/(crediting):

	2020 £ 000	2019 £ 000
Depreciation expense	**8,153**	8,248
Operating lease expense - property	**5,039**	4,740
Operating lease expense - plant and machinery	**8,965**	10,438
Gains on disposal of property, plant and equipment	**(622)**	(417)
Coronavirus Job Retention Scheme grants	**(7,310)**	-
Research and Development Expenditure Credits	**(1,668)**	(1,008)

7 | Other interest receivable and similar income

	2020 £ 000	2019 £ 000
Bank interest receivable and similar income	**137**	51

8 | Interest payable and similar expenses

	2020 £ 000	2019 £ 000
Interest on obligations under finance leases	**265**	421
Other finance costs	**271**	182
	536	603

9 | Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £ 000	2019 £ 000
Wages and salaries	**146,829**	145,841
Social security costs	**15,763**	15,475
Pension costs, defined contribution scheme	**7,312**	6,538
Pension costs, defined benefit scheme	**229**	197
	170,133	168,051

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

	2020 No.	2019 No.
Average number employed in construction services during the year	**2,247**	2,168

10 | Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £ 000	2019 £ 000
Remuneration	**2,524**	3,338
Contributions paid to money purchase schemes	**42**	40
Compensation for loss of office	**-**	204
	2,566	3,582

In respect of the highest paid director:

	2020 £ 000	2019 £ 000
Remuneration	**704**	818

During the year the number of directors who were receiving pension scheme benefits was as follows:

	2020 No.	2019 No.
Accruing benefits under defined benefit pension scheme	**2**	2
Accruing benefits under money purchase pension scheme	**2**	2

11 | Auditor's remuneration

	2020 £ 000	2019 £ 000
Audit of the financial statements	**278**	223
Advisory services	**5**	-

12 | Taxation

	2020 £ 000	2019 £ 000
Current taxation		
United Kingdom corporation tax	**2,278**	939
United Kingdom corporation tax adjustment to prior periods	**1,266**	1,154
	3,544	2,093
Deferred taxation		
United Kingdom deferred tax adjustment to prior periods	**(10)**	891
Arising from origination and reversal of timing differences	**(144)**	(3,013)
	(154)	(2,122)
Tax credit/(charge)	**3,390**	(28)

The tax rate on (loss)/profit before tax for the current and prior year is the standard rate of corporation tax in the UK of 19% (2019 – 19%).

The tax (credit)/charge for the year is reconciled below:

	2020 £ 000	2019 £ 000
(Loss)/profit before tax	(26,793)	14,454
Corporation tax at standard rate	(5,091)	2,746
Income not taxable in determining taxable (loss)/profit	(16)	-
Expenses not deductible for tax purposes	265	236
Revaluation of joint ownership properties	(8)	(8)
Change in unrecognised deferred tax assets	4,442	1,495
Adjustments to tax charge in respect of previous periods	(1,256)	(2,045)
Remeasurement of deferred tax assets and liabilities due to changes in UK tax rate	(1,144)	(354)
Group relief surrendered for nil consideration	1,068	37
Expense due to transfer pricing adjustments	(1,650)	(2,079)
Total tax (credit)/charge	(3,390)	28

Deferred tax
Deferred tax assets

	2020 £ 000	2019 £ 000
Fixed assets timing differences	367	1,844
Losses	8,160	7,142
Research and Development Expenditure Credits	1,099	891
Post-retirement medical scheme obligations	1,062	914
	10,688	10,791

It is expected that £4,026,000 (2019 - £3,746,000) of the deferred tax assets will reverse during the next year.

The Company has not recognised £32,170,000 (2019: £25,650,000) of deferred tax assets, calculated at 19% (2019: 19%), due to uncertainties as to the period of their recovery. Those unrecognised assets comprise:

	2020 £ 000	2019 £ 000
Accelerated capital allowances	3,799	2,294
Tax losses	28,058	22,465
Other timing differences	313	891
	32,170	25,650

13 | Tangible fixed assets

	Freehold land and buildings £ 000	Furniture, fittings and equipment £ 000	Property, plant and equipment £ 000	Total £ 000
Cost or valuation				
At 1 November 2019	1,459	20,459	55,516	77,434
Additions	442	888	2,710	4,040
Disposals	(168)	(405)	(3,939)	(4,512)
At 31 October 2020	**1,733**	**20,942**	**54,287**	**76,962**
Depreciation				
At 1 November 2019	881	16,122	30,622	47,625
Charge for the year	47	1,737	6,369	8,153
Eliminated on disposals	-	(328)	(3,558)	(3,886)
At 31 October 2020	928	17,531	33,433	51,892
Carrying amount				
At 31 October 2020	805	3,411	20,854	25,070
At 31 October 2019	578	4,337	24,894	29,809

Assets held under finance leases
The net carrying amount of tangible fixed assets includes the following amounts in respect of assets held under finance leases:

	2020 £ 000	2019 £ 000
Property, plant and equipment (including £974,000 additions in the year (2019: £1,458,000))	8,950	10,161

14 | Investments in subsidiaries

At Cost	£ 000
At 1 November 2019 and 31 October 2020	4

Carrying amount	£ 000
At 31 October 2019 and 31 October 2020	4

The wholly-owned subsidiaries of Sir Robert McAlpine limited are listed below. Except where otherwise stated they were incorporated in Great Britain, registered in England and Wales, and the principal country of operation is the United Kingdom.

In the Directors' opinion, the aggregate value of the shares in each of the subsidiary undertakings is not less than the aggregate amounts at which they are stated in the Balance Sheet.

As permitted by S.400 Companies Act 2006, group accounts have not been prepared as Sir Robert McAlpine Limited is itself a wholly-owned subsidiary. Consequently, these accounts give information about the Company rather than the group.

Construction-related

Country of incorporation and principal country of operation is England for the companies below.

Sir Robert McAlpine Management Contractors Limited
Bankside Electrical Contractors Limited
British Contracts Company Limited
Derby Joinery Limited
Widemarsh Gate Development Limited
Consortium 220 LLP

The registered office for each of these companies is:
Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire HP2 7TR

Property development

Country of incorporation and principal country of operation is Cayman Islands for the company below.

McAlpine Properties Limited

The registered office for this company is:
253 Dorcy Drive Industrial Park, PO Box 711, George Town, Grand Cayman KY1 1107

15 | Other fixed asset investments

	Unlisted securities £ 000	Loans £ 000	Total £ 000
Cost or valuation			
At 1 November 2019	6,072	1,074	7,146
Additions at cost	120	214	334
At 31 October 2020	6,192	1,288	7,480
Impairment			
At 1 November 2019	-	554	554
Charge for the year	-	153	153
At 31 October 2020	-	707	707
Carrying amount			
At 31 October 2020	6,192	581	6,773
At 31 October 2019	6,072	520	6,592

16 | Stocks

	2020 £ 000	2019 £ 000
Raw materials and consumables	442	670

17 | Debtors

	Note	2020 £ 000	2019 £ 000
Due within one year:			
Trade debtors		2,456	11,811
Gross amount due from customers for contract work		88,960	81,263
Amounts owed by related parties		112,007	94,700
Other debtors		18,870	19,964
Prepayments		4,783	12,266
Deferred tax assets	12	4,026	3,746
Corporation tax asset	12	3,494	1,710
		234,596	225,460

Amounts due from related parties, which include parent, subsidiaries, fellow subsidiaries and associated undertakings, are unsecured, interest-free, have no fixed date of repayment and are repayable on demand, except for those items disclosed in note 27.

	Note	2020 £ 000	2019 £ 000
Due after more than one year:			
Gross amount due from customers for contract work		**16,897**	21,282
Other debtors		**488**	604
Deferred tax assets		**6,662**	7,045
		24,047	28,931

18 | Cash and cash equivalents

	2020 £ 000	2019 £ 000
Cash at bank	**96,478**	93,790
Short-term deposits	**97**	255
	96,675	94,045

Short-term deposits held by the Company have an original maturity of 3 months or less. The average interest rate was 0.2% (2019 - 0.4%). The deposits are measured at amortised cost.

The Company had no short-term deposits or cash at bank held under terms which are restrictive (2019 - £Nil).

19 | Creditors

	Note	2020 £ 000	2019 £ 000
Amounts falling due within one year:			
Finance leases	25	**2,487**	4,012
Trade creditors		**158,668**	211,919
Amounts due to related parties		**241**	241
Social security and other taxes		**14,087**	5,257
Other creditors		**976**	1,244
Accruals		**11,475**	11,836
Deferred income		**85,669**	33,005
		273,603	267,514
Amounts falling due after more than one year:			
Finance leases	25	**1,720**	3,062
Trade creditors		**17,525**	15,597
		19,245	18,659

Amounts due to related parties, which include parent, subsidiaries, fellow subsidiaries and associated undertakings, are unsecured, interest-free, have no fixed date of repayment and are repayable on demand, except for those items disclosed in note 27.

20 | Provisions for liabilities

	Covid-19 provision £000	Other provisions £ 000	Total £ 000
At 1 November 2019	-	14,655	14,655
Provisions utilised	-	(4,700)	(4,700)
Provisions released	-	(250)	(250)
Additional provisions	3,913	19,761	23,674
At 31 October 2020	3,913	29,466	33,379

The Covid-19 provision represents the cost of a business restructure necessitated by the impact of the Coronavirus pandemic, comprising staff costs of £3.7m and onerous lease charges of £0.2m. This provision is expected to be fully utilised within the next 12 months.

Other provisions include provisions for costs expected to be incurred in respect of identified remedial works on completed contracts. It is impracticable to estimate the timing of the related cash outflows, and hence no amounts have been discounted.

21 | Post-retirement medical scheme and other employee benefits

Defined benefit and defined contribution pension schemes

The Company operates a defined benefit pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company. The date of the most recent comprehensive actuarial valuation was 31 October 2015. The pension cost relating to the scheme is assessed in accordance with the advice of an external, qualified actuary using the projected unit method. The assumptions which have a significant effect on the results of that valuation are those relating to the rate of return on the investments and the rates of increases in salaries and pensions. The post-retirement rate of return uses the gilt yield curve +1.0% and the pre-retirement rate of return uses the gilt yield curve +2.0%. Salary increases are assumed to be 2.25% and pension increases range between 2.5% and 5.0% depending on when the benefit was accrued. At the date of the latest actuarial valuation, the valuation showed a net deficit of £107.6m, with the market value of the scheme's investments amounting to £372.0m which was sufficient to cover 78% of the benefits that had accrued to members. The scheme has been closed to new entrants and under the projected unit method the current service cost will increase as the members approach retirement. Following cessation, this is no longer the case and accrued service costs are no longer applicable.

The scheme is recorded within Newarthill Limited, the ultimate parent company, and full disclosure of the scheme is shown within that company's financial statements.
These disclosures show the scheme to have a net deficit of £164.2m (2019 - £141.9m) attributable to Newarthill Limited before deducting deferred tax. The scheme is shared between the Newarthill Limited group and the Renewable Energy Systems (Holdings) Limited group, a company under common ownership. The total pension deficit has been split between Newarthill Limited (90%) and Renewable Energy Systems (Holdings) Limited (10%), based on a developed policy which is used as the basis for allocation of the deficit repayments.

In addition to the defined benefit scheme, the Company operates two defined contribution pension schemes where employee contributions are matched by Company contributions. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £7,312,000 (2019 - £6,538,000). All costs were expensed as incurred and there were no amounts outstanding, by way of either amounts owing or commitments, at the year end (2019 - £Nil).

Post-retirement medical scheme

The Company provides unfunded post-retirement medical insurance benefits for a number of its employees after retirement.

The date of the most recent actuarial valuation was 31 October 2020. The valuation was carried out by a third-party actuarial company.

The amounts recognised in the Balance Sheet are as follows:

	2020 £ 000	2019 £ 000
Present value of scheme liabilities	**5,589**	5,374
Deferred tax asset	**(1,062)**	(914)
Post-retirement medical scheme deficit	**4,527**	4, 460

Post-retirement medical scheme obligation

Changes in the obligation are as follows:

	2020 £ 000
Present value at 1 November 2019	**5,374**
Interest cost	**107**
Actuarial gains and losses	**165**
Employer contributions	**(57)**
Present value at 31 October 2020	**5,589**

Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows:

	2020 %	2019 %
Discount rate	**1.60**	2.90
Medical expenses inflation	**9.50**	9.50

22 | Share Capital

Allotted, called-up and fully-paid shares

	2020		2019	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	67,750	67,750	67,750	67,750

23 | Reserves

Share capital
There is a single class of ordinary shares. There are no restrictions on the distribution of dividends or the repayment of capital.

Profit and loss account
The profit and loss account, except for a £25.6m gain on disposal of Sir Robert McAlpine Capital Ventures Limited in the year to 31 October 2018, represents the Company's total retained earnings available for distribution. The sale was part of an internal restructure, with the purchaser having the same ultimate parent company as Sir Robert McAlpine Limited, and hence the gain is not considered to be realised.

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

2020	Retained earnings £ 000	Total £ 000
Remeasurement loss on post-retirement medical schemes	(165)	(165)
Deferred tax relating to remeasurement loss on post-retirement medical scheme	50	50
	(115)	(115)

The changes to each component of equity resulting from items of other comprehensive income for the prior year were as follows:

2019	Retained earnings £ 000	Total £ 000
Remeasurement loss on post-retirement medical schemes	(27)	(27)
Deferred tax relating to remeasurement loss on post-retirement medical scheme	9	9
	(18)	(18)

24 | Reconciliation of operating (loss)/profit to net cash flow from operating activities

	2020 £ 000	2019 £ 000
Operating (loss)/profit	(26,206)	15,144
Adjustments for:		
Depreciation	8,153	8,248
Gains on disposal of tangible fixed assets	(622)	(417)
Reduction in stocks	228	6
(Increase)/reduction in debtors	(2,605)	10,667
Increase/(reduction) in creditors	9,540	(11,171)
Increase in provisions	18,724	9,655
Increase/(reduction) in post-retirement medical scheme liabilities	50	(77)
Net cash generated by operations	7,262	32,055
Corporation tax recovered	1,760	1,896
Net cash flow from operating activities	9,022	33,951

25 | Obligations under leases

Finance leases
Finance leases relate mainly to the purchase of cranes used in the Company's construction activities. Cranes are classified as other property, plant and equipment within note 13.

The total of future minimum lease payments is as follows:

	2020 £ 000	2019 £ 000
Within one year	2,487	4,012
After one year but not later than five years	1,720	3,062
	4,207	7,074

Operating leases
The total of future minimum lease payments is as follows:

	2020 £ 000	2019 £ 000
Within one year	3,776	4,874
After one year but not later than five years	863	3,582
	4,639	8,456

The amount of non-cancellable operating lease payments recognised as an expense during the year was £14,004,000 (2019 - £15,178,000).

26 | Financial guarantee contracts

There were contingencies in respect of the following;

Guarantees of contract performance bonds given in the normal course of business; and

Completed and uncompleted contracts. It is impractical to estimate the financial effect, timing or probability of payments in relation to the above items.

27 | Related party transactions

There were transactions amounting to £69.0m (2019 - £47.3m) in respect of construction and other contracts on normal commercial terms with various joint arrangements, of which £15.4m (2019 - £23.2m) was owing at the year end and included within debtors due in less than one year (note 17).

There were transactions amounting to £28.3m (2019 - £26.8m) in respect of construction and other contracts on normal commercial terms with joint ventures and unlisted investments, of which £0.3m (2019 - £nil) was owing at the year end and included within debtors due in less than one year (note 17).

28 | Parent and ultimate parent undertaking

The Company's immediate parent is Sir Robert McAlpine (Holdings) Limited, incorporated in the United Kingdom. That company's financial statements are available upon request from Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR. This is the smallest company that consolidates Sir Robert McAlpine Limited.

The ultimate parent is Newarthill Limited, incorporated in the United Kingdom.

The most senior parent entity producing publicly available financial statements is Newarthill Limited. These financial statements are available upon request from Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR. This company is the largest company that consolidates Sir Robert McAlpine Limited.

The ultimate controlling party is The McAlpine Partnership Trust.

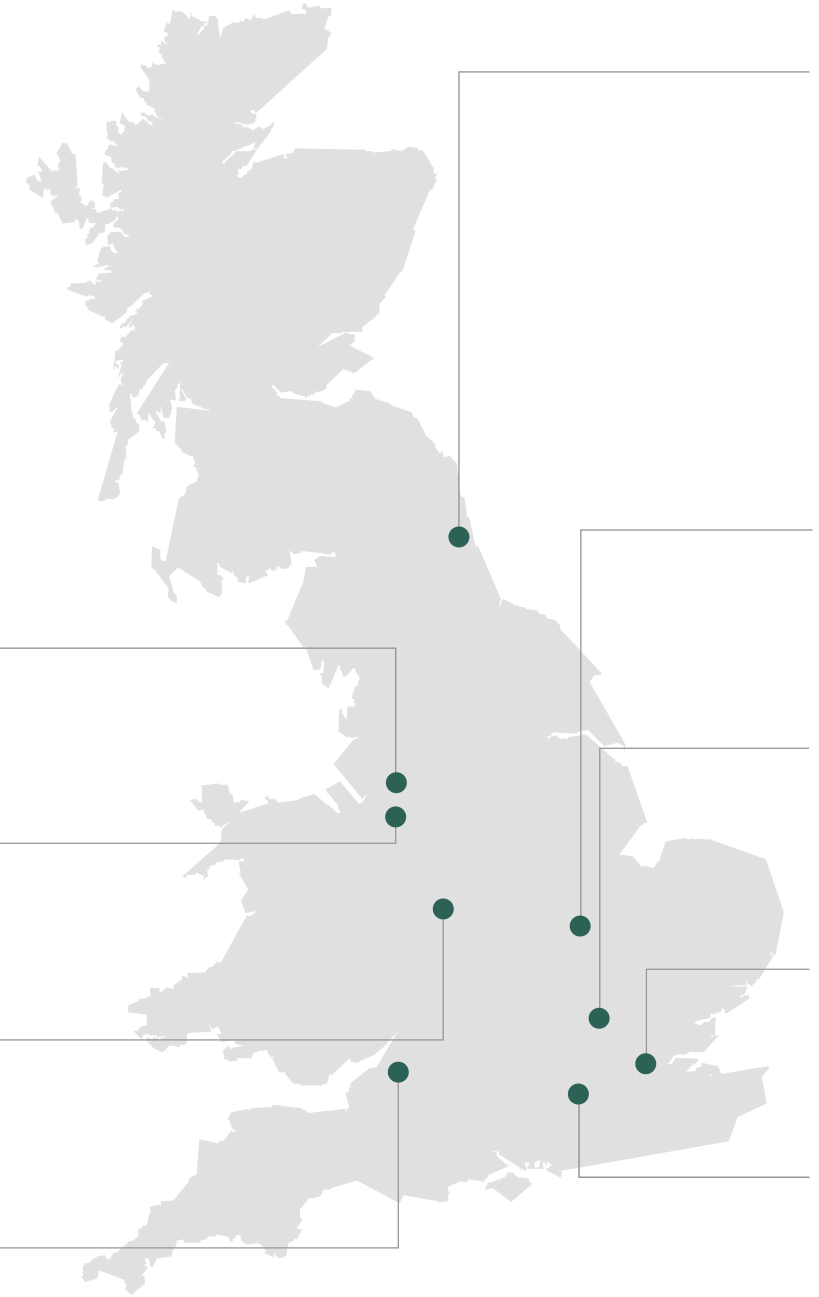
29 | Post balance sheet events

On 24 December 2020 the UK Government announced that a Brexit trade agreement had been reached, such that there would be no tariffs or quotas on the movement of goods, originating in either place, between the EU and the UK, when the UK left the EU's single market and customs union from 23:00 on 31 December 2020.

The successful development and roll-out of effective Covid-19 vaccines are clearly a positive and welcome step in the global fight against the pandemic. However the discovery of various mutations, together with continued growth in numbers of new cases, are such that considerable uncertainty remains as to the timing of social and economic recovery from the virus. Steps to mitigate the impact on the Company from Covid-19 have been implemented, as described more fully in the Strategic report.

The Chancellor in his Budget Statement on 3 March 2021 announced an increase in the rate of Corporation tax for large companies from 19% to 25% with effect from 1 April 2023. This is not expected to have a material impact on the level or recoverability of the deferred tax assets recognised by the Company at 31 October 2020.

Office locations



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