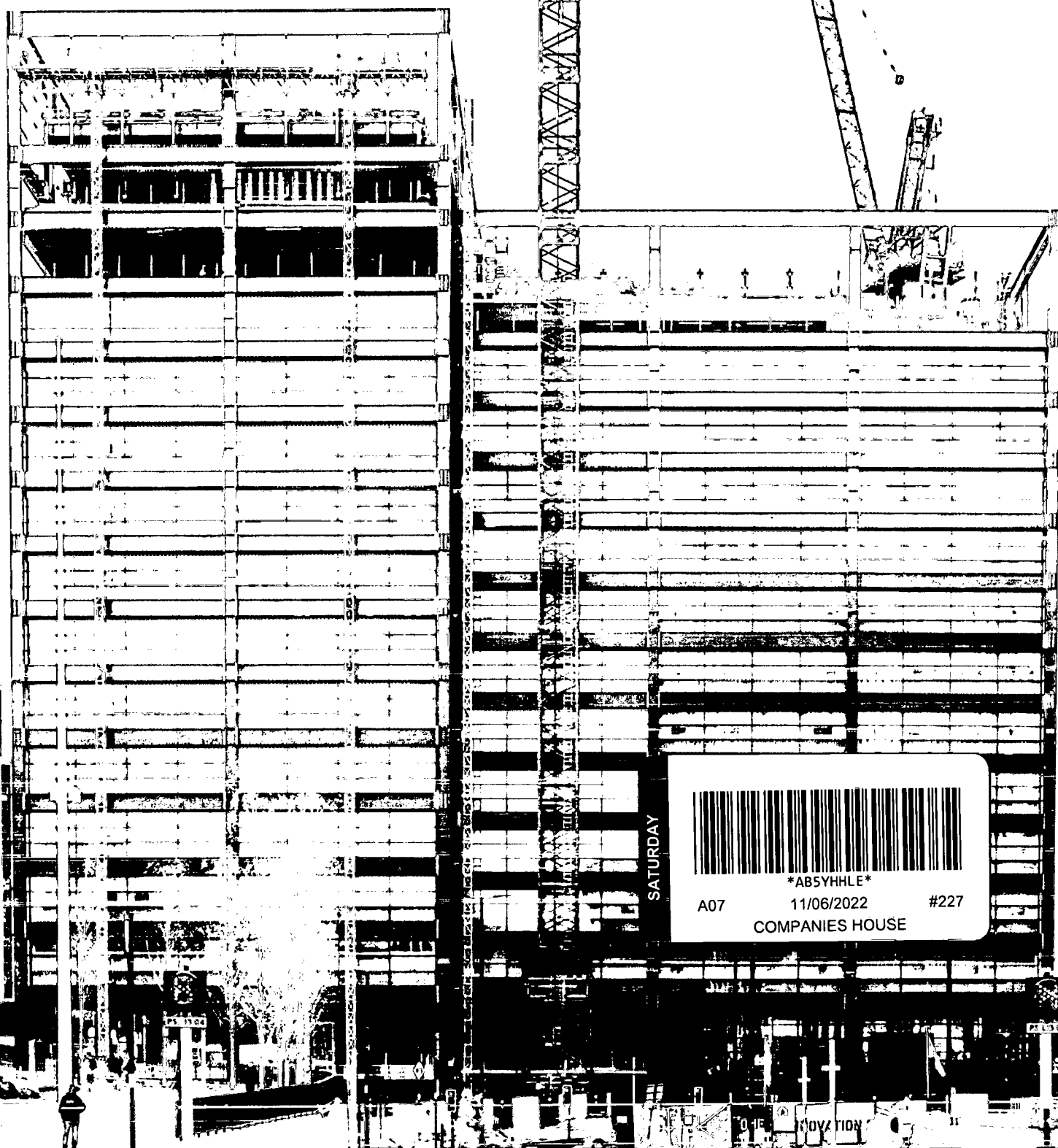


BUILDING ON OUR VALUES

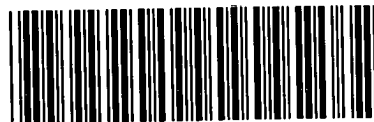
ANNUAL REPORT & ACCOUNTS

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Sir Robert
McALPINE



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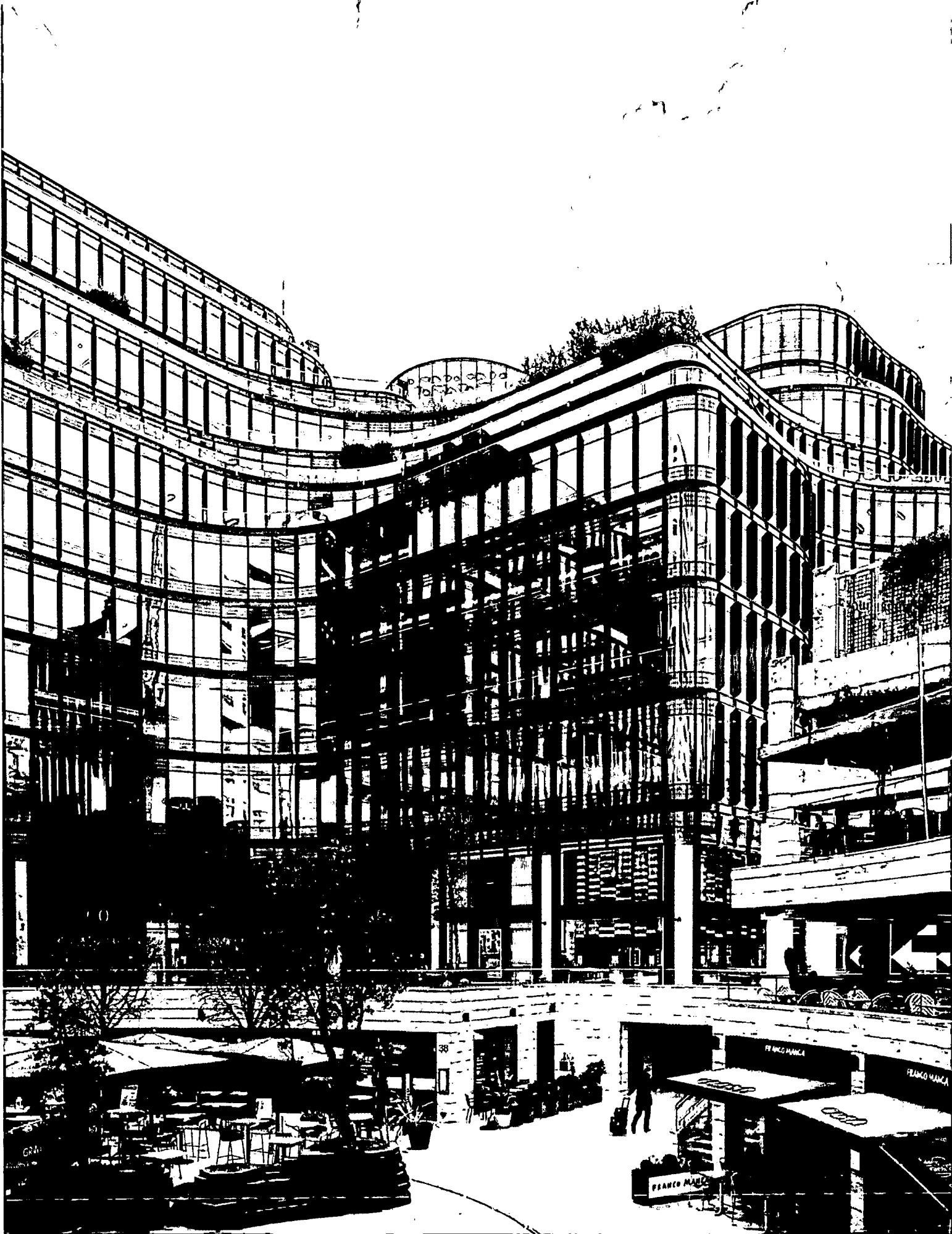
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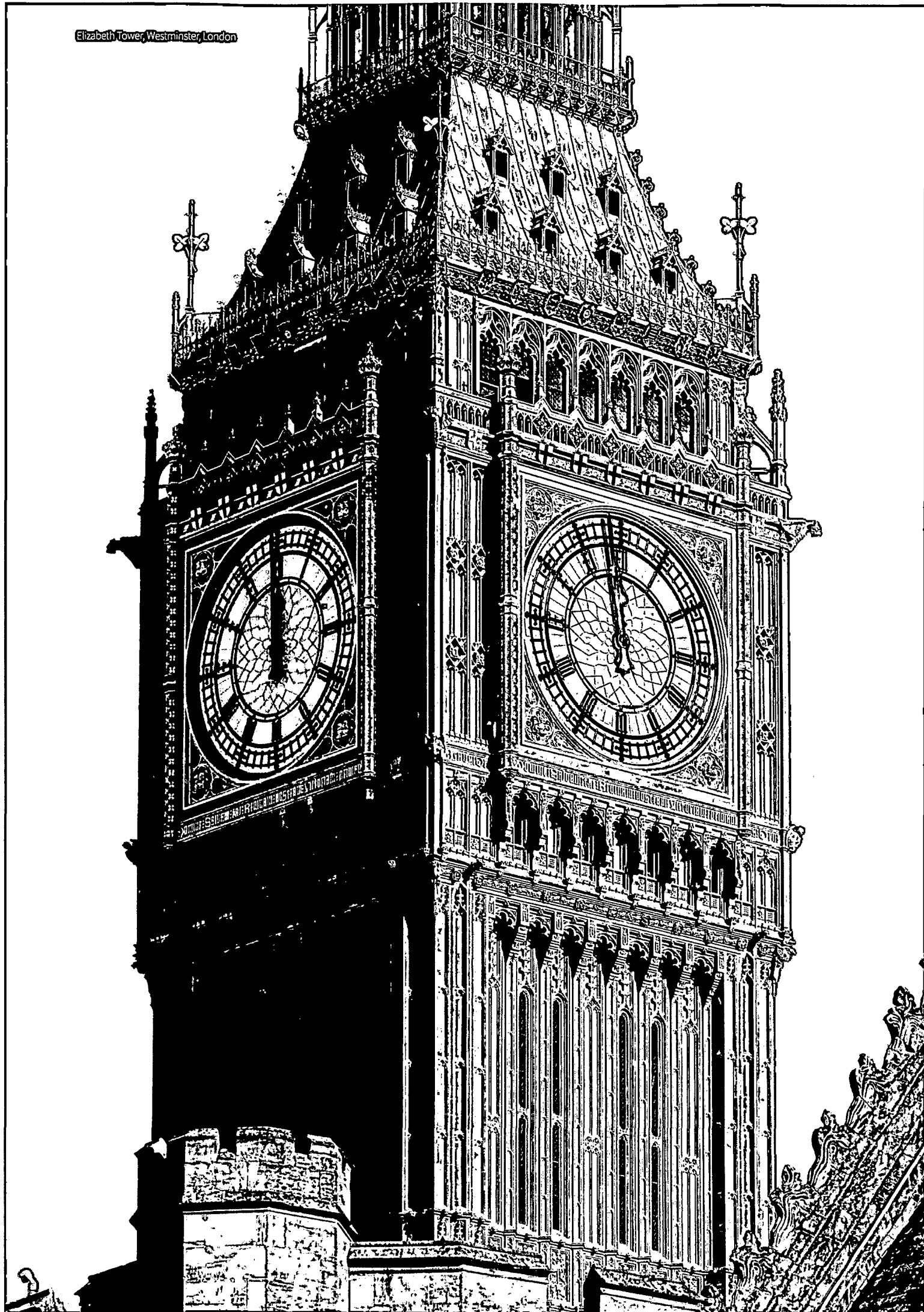
**Sir Robert
McALPINE**

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Elizabeth Tower, Westminster, London



Supporting Britain's economic recovery

A statement from our Chair, **Edward McAlpine**

2021 was another year of exceptional challenge and change. The pandemic and transition to Brexit have affected society and the economy in unprecedented ways. The climate emergency, also, remains an imminent priority for us all.

I would like to take this opportunity to thank all our people for their resilience, determination and hard work.

Thanks to their collective effort and commitment, we have kept our sites Covid-safe. We have adapted to changing ways of working. We have restored our business to productivity and profit after the disruption that began in March 2020.

We have lived our company values, treating each other like family, and it has been immensely heartening to see the ways in which we have been able to react, as a business, to rapidly changing circumstances. The stories of kindness that have come out of this year are deeply inspiring.



As a construction business we have an essential role to play in supporting the country's economic recovery.

We are not just delivering new projects, we are also shaping the communities we live in, and the future for generations to come. Whether it's contributing to social value, delivering key services like hospitals and roads, or constructing landmark buildings for generations to enjoy, what we do today matters.

It is my firm belief that all of this has brought us through the pandemic stronger than ever as we continue to proudly build Britain's future heritage.

Returning to profit

A statement from our Chief Executive, **Paul Hamer**

Despite the numerous challenges that we have had to face during the financial year, ranging from the pandemic to the shortage of materials and skilled labour, our business strategy has proved its resilience by creating the needed agility to evolve and respond to the ever-changing pressures of geo-political shifts and volatile external markets.

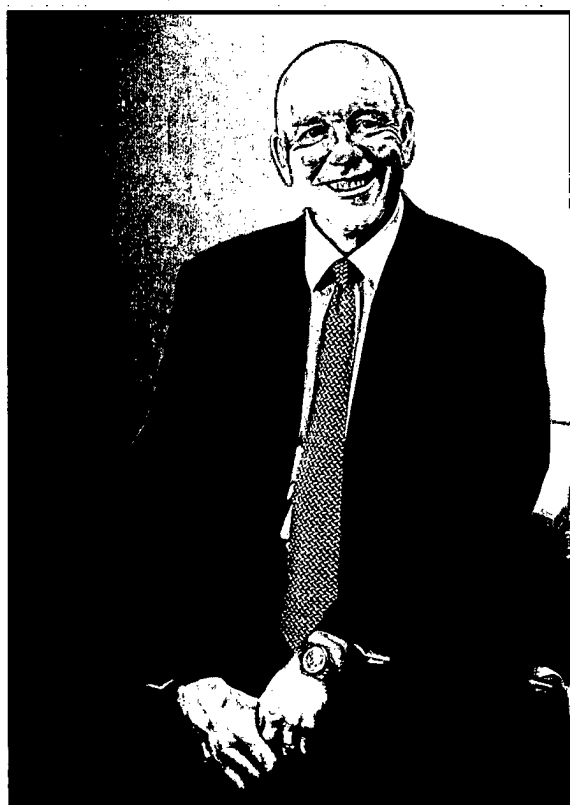
With a sharp business focus on continuing to play to our core strengths and values, we have achieved what we set out to do: deliver a robust performance and a return to profit.

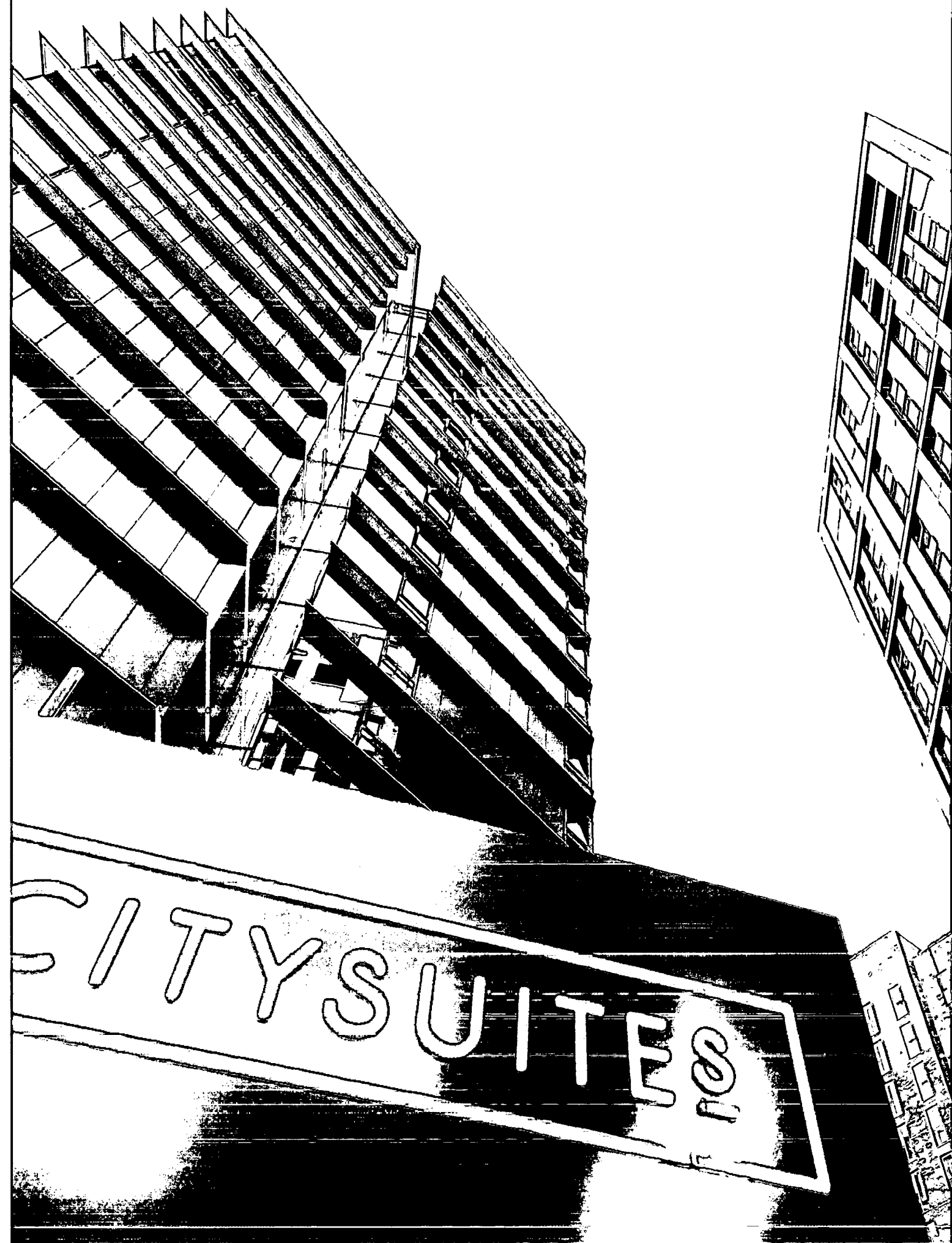
Our strong, enduring relationships with clients and supply chain partners have anchored our stability and helped to mitigate impact on productivity.

And there is no doubt in my mind that our ongoing success is also down to the skills, expertise and commitment of all the people working on our magnificent projects.

Our ambition to become the best place to work is undeterred. It is reflected in the many initiatives we have undertaken to promote an inclusive and flexible culture that welcomes everyone and cares for our communities.

With over 90% of secured business and a healthy pipeline of opportunity, we now have a robust platform from which we can continue to deliver project excellence, tackle the climate emergency, foster and create social value across the communities we serve and build positive momentum for 2022 and beyond.





About us

We are a family-owned construction and civil engineering company established since 1869. We design, develop, build and preserve some of Britain's most iconic buildings.

We shape towns, cities, and landscapes, and put the local community at the heart of everything we do.

Local students were invited along to the topping out ceremony for Belle Vue Academy in Manchester



Our **vision**

Proudly
building Britain's
future heritage

Our **values**

Honourable

Family

Enterprising

Engineering
excellence

Responsible

Strategy 2019-2024 Constructing our future

The best place
to work

Profitable growth
through Build Sure

Industry experts in
our chosen sectors

Trusted client,
consultant and supply
chain relationships

Technology and data
to inspire and improve

Stronger and
more resilient

Our **Build Sure commitment** to excellence

Safe

On time

Sustainable

Quality

Profitable

Build Sure is the formula that powers our success, supporting our strategy and underpinning our vision.
It sets out our commitment to delivering excellence in all we do.

The **work** we do

Technically and logistically complex construction projects | Urban centres |
Refurbishment & repurposing of buildings | Heritage & conservation

Our core **sectors**

Public sector
buildings

Healthcare
Education

New growth
sectors

SciTech
Battery tech
Pharmaceuticals

Private sector
buildings

Office
Mixed use
Leisure
Accommodation
Industrial

Civil
infrastructure

Roads (National
Highways)
Development
infrastructure
Rail (HS2)
Energy
infrastructure

Constructing our future

The Financial Year 2020-21 marked the half-way point of our five-year strategy, which sets out a clear path to realising our vision of ‘proudly building Britain’s future heritage.’



In the midst of the disruption caused by the pandemic, our strategy ensured we focused on our core strengths while giving us the agility to evolve and respond to the demands of uncertain and unpredictable markets.

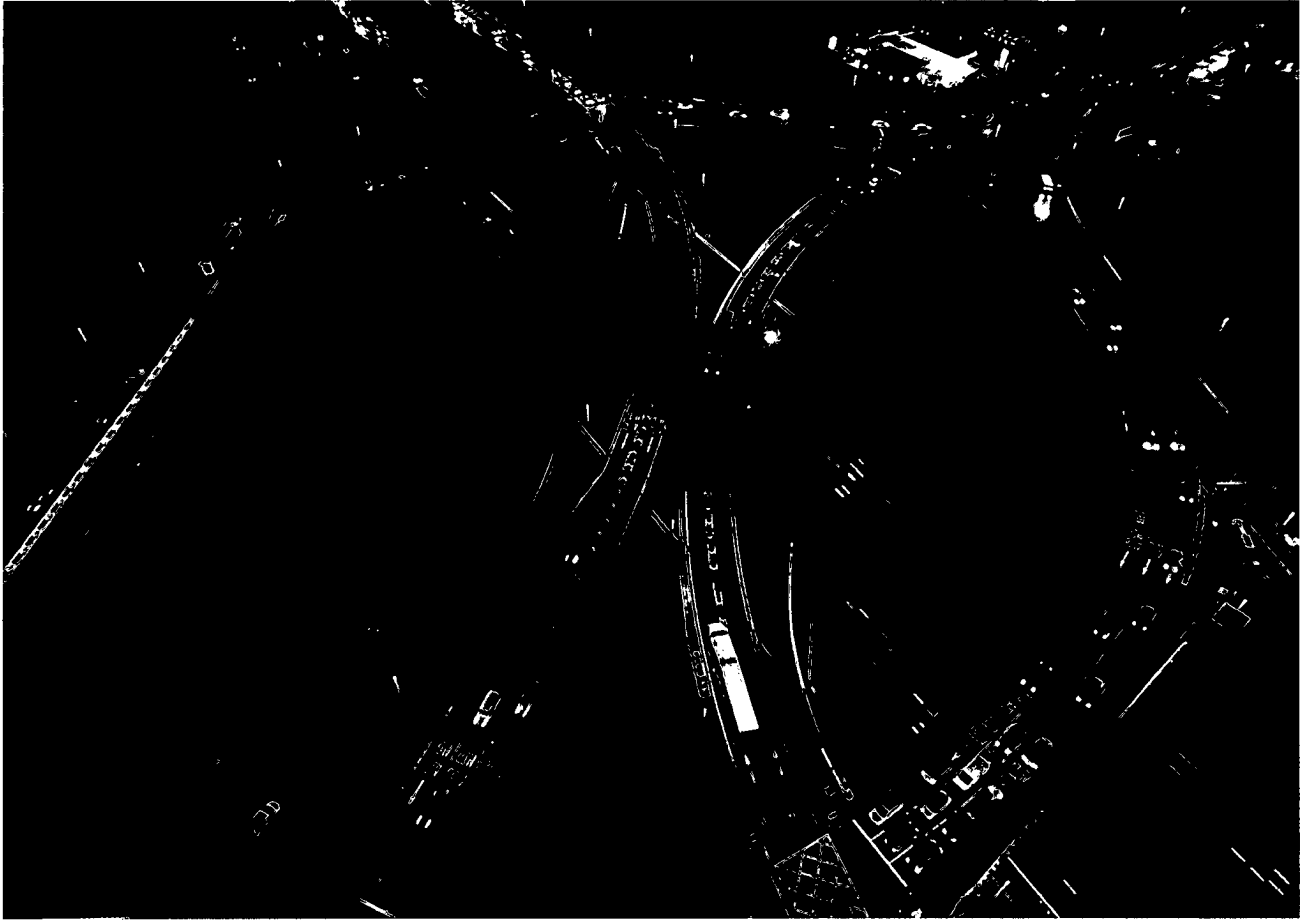
The resilience afforded by our strategic approach enabled us to maintain a robust performance, secure a strong order book, and retain a healthy cash balance, which are critical to the ongoing future of the business.

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

In order to sustain our success into the future, our focus has turned to modernising our infrastructure to equip our people and projects with the tools, processes and systems that support the continued delivery of excellence. This includes investing in appropriate digital technologies and harvesting our project and business data to help drive productivity and efficiency gains across our future projects.

As a family business, establishing trust and long-term relationships with our supply chain partners, our consultants and our clients is a key part of how we operate.

Half our revenue is derived from working with key clients, with whom we have been building relationships for decades. We regard such clients as part of our wider family. We take the time and care necessary to understand them and adapt our offering to their evolving needs to help them achieve their ambitions.



We continue to focus on projects where we know we can add real value and on improving our offering in sectors where we have proven expertise and experience, such as healthcare and education. With our track record of delivering technical excellence on complex projects, we will also look to grow our civil engineering and infrastructure portfolio.

Leveraging the quality and reputation of our 153 years of experience, Build Sure guides and informs our decisions as a business and stands at the core of everything we do. Build Sure is our commitment to technical and engineering excellence, and to delivering exemplary projects safely, sustainably, on time, on budget and to the highest quality.

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. Addressing the climate emergency and creating social value in tangible and measurable ways have been high priorities. As such, we have made a commitment to collaborate with a selected number of organisations to help us achieve those goals and support charities and grassroots initiatives across the country that align with our values.

The quality of our people and their commitment to technical and engineering excellence set us apart. We treat each other like family, which is why we have set ourselves the ambition of making Sir Robert M^cAlpine the best place to work.

We want everyone joining us to feel welcome, supported and given the chance to thrive, whoever they are and whatever their background. We recognise that our diversity makes us a stronger, healthier, more resilient organisation, hence our ongoing commitment to inclusion and to inspiring industry-wide change.

With a clear strategy that has demonstrated its resilience at the most turbulent of times, a strong heritage of technical and engineering excellence, a truly inclusive culture that welcomes everyone and fosters strong relationships with our clients, consultants, and supply chain partners, and a firm handle on the future, we are ideally positioned to continue constructing our future.

Led by the fifth generation of the M^cAlpine family, we are committed to securing the next 150 years of proudly building Britain's future heritage.

Financial highlights

A year of robust recovery

Despite the numerous challenges during the financial year, we returned to profit in 2021.

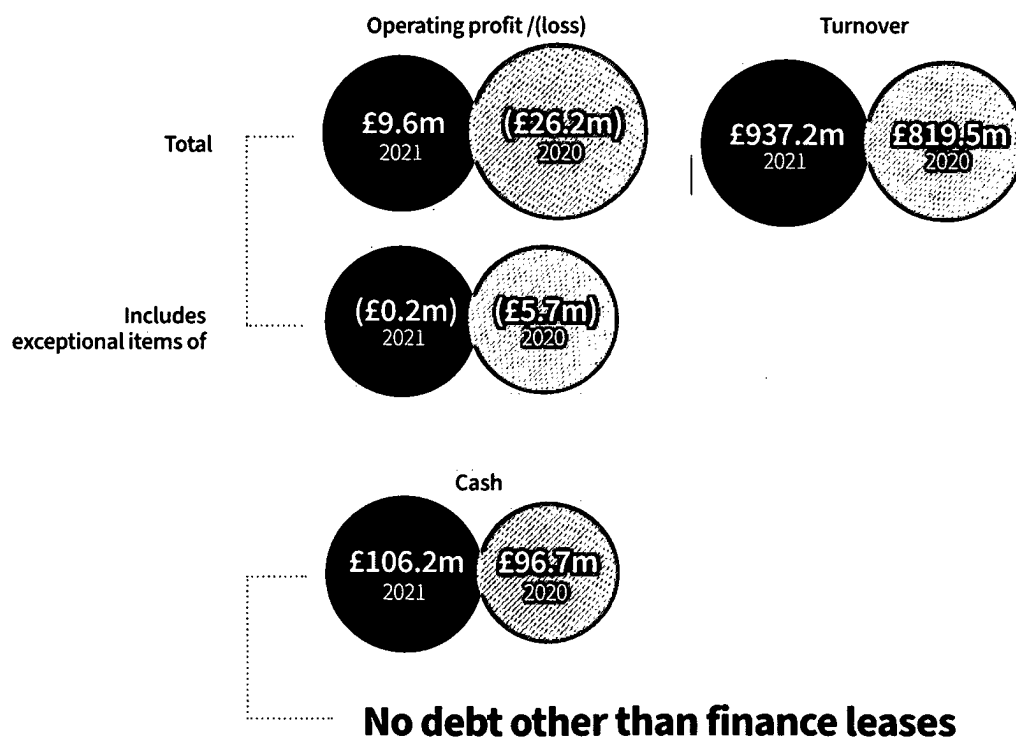
- Operating profit is £9.6m in 2021, compared to a loss of £26.2m in 2020.
- The exceptional items for 2021 total (£0.2m) (2020: (£5.7m)).
- Cash balances were ahead of the prior year at £106.2m in 2021, compared to £96.7m in 2020.

The exceptional circumstances we had to face have demonstrated the resilience of our five-year strategy. It has allowed us to evolve and adapt quickly to ever-changing markets.

Holding steadfast to our values, the business continues to be focussed on client relationships and profitability, selecting projects in key sectors where we have established our expertise.

Our cashflow remains strong thanks to a prudent financing strategy.

With a healthy pipeline of opportunity and high levels of secured revenues for the next financial year, we are confident that our business strategy is helping to build positive momentum for the future.



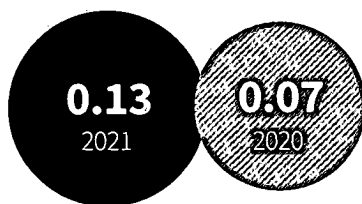
Non-financial performance indicators

Sustainability



Health, safety and wellbeing

12 month rolling Accident Frequency Ratio



We are proud to be launching new company minimum health, safety & wellbeing (HS&W) standards in 2022 to help us to reduce HS&W risk, create positive working environments and increase consistency throughout the business.

We will also launch new leading performance indicators to help us understand where we are and how we can continue to improve.

Diversity

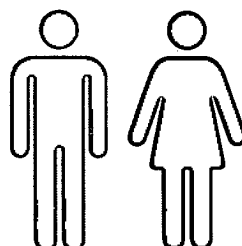
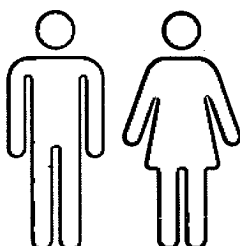
We have seen a **1% reduction** in the mean gender pay gap. This was achieved against the backdrop of a very difficult year because of the pandemic. We recognise that this is slow progress and are dedicating resource and time to further improve.

Our figures show a reverse pay gap for bonus payments in the period, with females, on average, receiving larger bonuses than males, albeit the number of bonus payments made was half what it was the previous year, again due to the pandemic and associated financial pressures.

Pay gap

Mean gender
pay gap
25.9%

Median gender
pay gap
30.4%



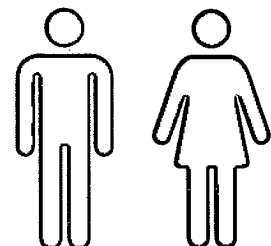
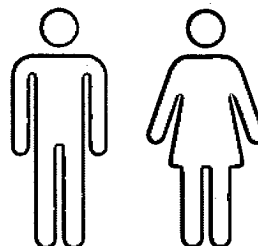
This shows the mean and median difference in the fixed hourly earnings between men and women who worked for Sir Robert McAlpine Ltd as at April 5th 2021.

The gender pay gap is the percentage difference between the average pay of all men and all women within an organisation.

Bonus gap

Mean gender
bonus gap
-9.8%

Median gender
bonus gap
-107.6%



This shows the difference between the bonus payments made to relevant men and women in the year 2021.

Our Board of Directors

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



Edward M^cAlpine
Chair &
Executive Partner



Hector M^cAlpine
Executive Partner



Paul Hamer
Chief Executive



Leighton More
Chief Financial Officer



Karen Brookes
Executive Director
of People &
Infrastructure



Alison Cox
Managing Director
London



Our Executive Leadership Team

The Executive Leadership Team is the Company's main decision-making body, with accountability for the overall performance of the business.



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.



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.



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
Managing Director London

With more than 30 years' experience with the business, Alison blends technical construction and project management expertise with her inclusive leadership approach. In 2021 Alison assumed responsibility for the London business unit.



Lynda Thwaite
Group Director Brand,
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 M²Alpine in 2016 to lead and grow our Southern business.



Tony Gates
Managing Director Civil Engineering

Tony joined Sir Robert M²Alpine 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 National Highways.



Mark Gibson
Managing Director North

Part of the Sir Robert M²Alpine 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.



Andrew Hunter
Director of Engineering

Having successfully led the engineering and technical services functions in London, Andrew has widened his responsibility nationally. He is leading the drive to enhance performance through technology and data analytics, whilst maintaining our focus on engineering excellence.

**Everyone is
welcome.**





Inclusion built in

We are proud to say that everyone is welcome at Sir Robert M^cAlpine.

Inclusion is written into the fundamentals of how we operate as a business. Our Inclusion Policy sets expectations of everyone, from Board level, through our line managers, to every one of our people and our supply chain partners.

We are committed to providing an inclusive culture that embraces diversity and provides a fair and respectful working environment. This commitment means that all our people will be treated equally and fairly without regard to age, sex, disability, marital or civil partner status, pregnancy or maternity, paternity, race (to include colour, nationality, ethnic or national origin), religion or belief,

gender identity, sexual orientation, job level or socioeconomic background amongst others.

This extends from recruitment to performance management, learning and development, reward and benefits, access to facilities, health and safety, flexible working, disciplinary, grievance and leaving procedures.

We operate an inclusive family-leave policy so that whatever your gender or sexual-orientation, and whichever way your family grows (birth, adoption or surrogacy), you are entitled to the same amount of leave. Our Inclusion Report is available at: www.srm.com/people-culture/inclusion/inclusion-report/

In recognition of our work in this area we won The Best Benefits to Support Work Life Balance award at The Employee Benefits Awards 2020.

Addressing the skills gap with the Construction Youth Trust

We have long championed The Construction Youth Trust (CYT) and its work to inspire and enable young people to overcome barriers and follow a career in the construction and built environment sector. We are proud that Edward M^cAlpine moved from his role on the Board of Trustees to become chair of the CYT in 2020.

Through our partnership, we have worked with the charity to support more than 3,250 young people, helping to raise their aspirations and creating pathways into employment. Not only that, more than 200 of our people have volunteered to help the CYT with their activities so far and the numbers are rising.

As part of our engagement in 2021 the Trust joined us during our Annual Team Conference week for a virtual panel discussion on the most effective ways to engage young people and help guide and encourage a new generation towards working in our sector.



Flexible working

We see a flexible working culture as the key to unlocking a more inclusive future.

We strongly believe that at the core of every successful business is a motivated and happy workforce. To get there we need to shake off the constraints of traditional and rigid working arrangements and explore the many options that make up flexible and agile working.

It's why, for example, we have introduced the right to request flexible working from day one, and fully support the consultation under way by the Government on this important step forward for both employees and businesses.

It's also why we introduced a gender-neutral family leave policy, so that all parents have the same rights when they welcome a new member into their families.

We have agile and flexible working policies in place, and, through our partnership with consultancy Timewise, are conducting pilot solutions to bring flexible working to our construction sites.

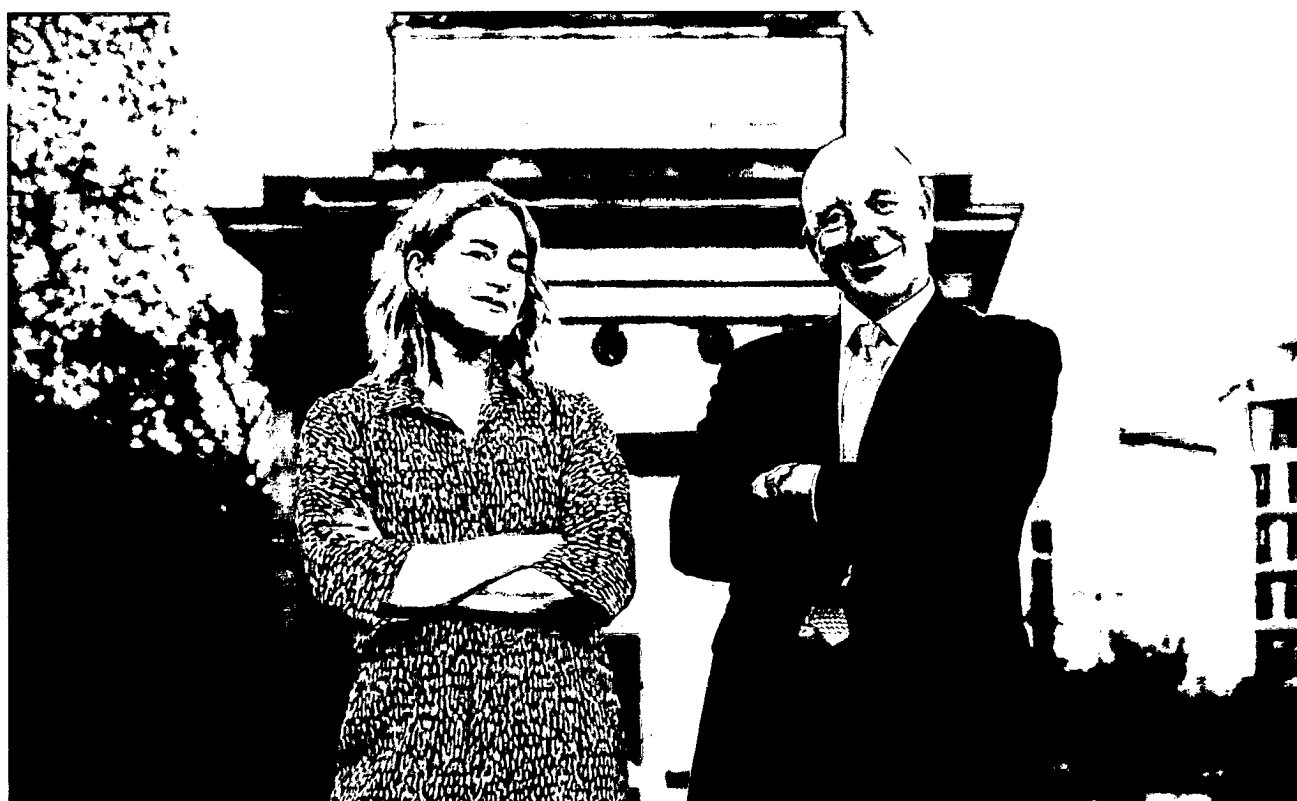
For the past two years we have been supporting Flex Appeal, founded by Anna Whitehouse, also known as Mother Pukka, and campaigning to improve the underlying working culture of our sector.

As part of this work, we released "Flexonomics: The economic and fiscal logic of flexible working". This is a first of its kind, in-depth study, highlighting the economic benefits of flexible working to the UK economy.

Flexible working will not only act as a catalyst to support wellbeing and greater diversity, but will also contribute to boosting productivity and setting the UK on the right path towards economic recovery in the wake of the Covid-19 pandemic.

We may not be fully there yet,
but an inclusive future is where
we are headed and everyone is
welcome to join us.

Anna Whitehouse (Mother Pukka) and Paul Hamer (Sir Robert M'Alpine CEO) at the release of the Flexonomics report.



Tackling modern slavery

For us to be proud of the projects we build and the legacy we leave, all those involved in our projects must be treated fairly and equally.

Working with our supply chain partners, we continue to focus on addressing the risk of modern slavery in our industry.

In part, modern slavery occurs because people don't realise it is happening. Through education and raising awareness, we can help to break down the mechanisms that enable exploitation.

In our battle against modern slavery, we have completed 78 supply chain partner audits to date (24 in 2020-2021), created a Labour Code of Conduct, setting a baseline requirement for our supply chain partners to comply with, and developed and rolled out mandatory training to all our people.

Collaboration within our industry is key to tackling modern slavery effectively, and we take part in industry groups such as the GLAA Construction Protocol, and are verified to BES 6002, the Ethical Labour Sourcing Standard. In 2021 we improved our overall BES 6002 score by moving from Level 2 to Level 3 on the maturity pathway.

We will combat modern slavery as long as it exists. We will continue to implement processes and practices to eradicate any form of people exploitation from our supply chains and sites, and we will work with our peers and wider business groups to address the risk.

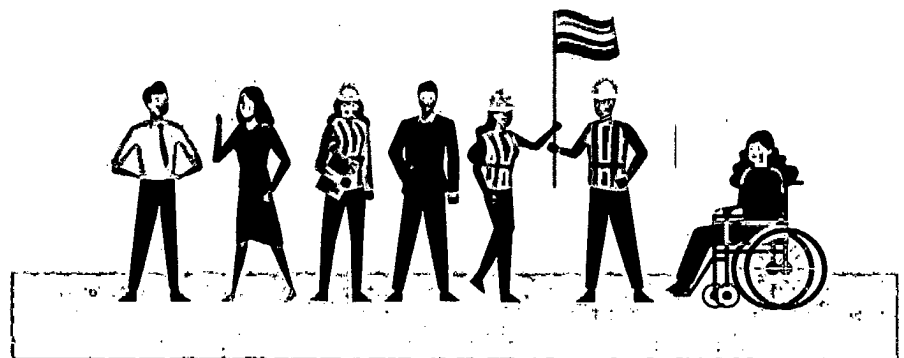
Our Modern Slavery statements contain more details of the actions we have taken to date and can be found on our website: www.srm.com/our-commitments/compliance/

Affinity networks

As a business that's proud to say 'everyone is welcome', we want everyone to be able to be 100% themselves at work.

Our seven Affinity networks were created to make sure everyone has a voice and is heard. The groups bring together people who share similar interests, experiences or challenges, along with members who are simply passionate about inclusion.

Helping ensure all our people, regardless of their background, beliefs, age or lifestyle, are heard and able to contribute, our Affinity Networks have a key strategic role to play in helping get us to where we need to be.



Our Affinity Networks act as a check, making sure we do what we say we are going to do.



Our Employee Network

Our Employee Network has a powerful role to play in ensuring we deliver on our inclusion ambitions. Made up of elected representatives from across the business, the network provides a direct route back to senior management for our people's ideas, views, and suggestions for how we can improve as a business.

They also act as a sounding board for the Executive Leadership Team, providing open and honest feedback on any proposed changes or operational matters such as new working practices.

Mental wellbeing

Mental health problems affect many of us in our lives, either personally or through friends and family, yet it's an issue we still seem to struggle to talk about.

With study after study showing that those working in construction can be particularly prone to mental health difficulties, it's a stigma we can't afford to leave unchallenged.

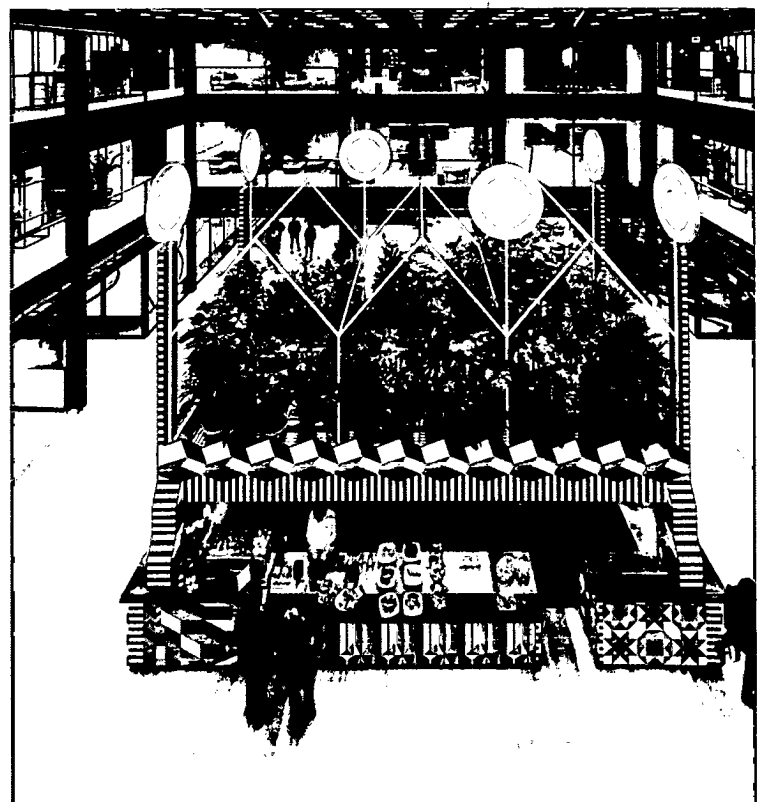
We want people to feel as comfortable talking about their mental wellbeing as their physical wellbeing.

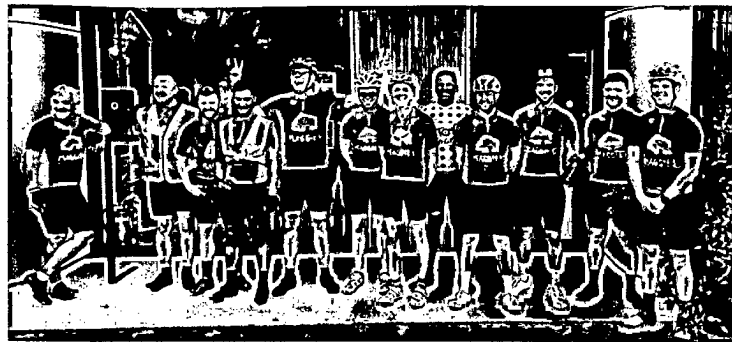
So, we've trained Mental Health First Aiders across the business who act as a first point of call for those struggling or worried about someone. We have toolbox talks and a wide range of resources and information available, so that our people know how they can access the help they need when they need it.

We have a Wellbeing Hub on our company intranet, signposting our people to a wealth of information, help and resources.

Our Employee Assistance Programme provides our people with confidential access to trained counsellors 24 hours a day, seven days a week.

By being open and transparent about mental health in this way, we hope it may spark more conversations and help ensure people are comfortable talking about how they feel seeking help.





Maggie's partnership

Cancer does not discriminate. It is a disease that affects all of us one way or another, often turning lives upside down overnight. That's why our corporate partnership with Maggie's is so important to us.

It's now more than a decade since we first started working with the charity, which provides practical, emotional, and social support to anyone with cancer and their friends and family. As well as the construction of many of its architecturally significant centres, we've committed to raising £1,000,000 over ten years for the charity, which we have managed to achieve.

Our people have taken Maggie's into their hearts, and just six years into that commitment we have managed to raise £1 million. That's a lot of cakes baked, bought and eaten, heads shaved, miles swum, walked, run and ridden up and down the country.

Giving back with Strong Foundations Grant

After the success of the 150 Grassroots campaign to celebrate our 150th Anniversary in 2019, we wanted to do more.

In 2020, we introduced our Strong Foundations Grant to support grassroots initiatives and charitable organisations, working in partnership with social investment enterprise Semble, using their ActionFunder platform.

Our aim was to find a way to create a tangible, long-lasting and measurable impact on the communities close to our projects.

We launched Strong Foundation Grants for eight locations across the country: Bristol, London, Oxford, Edinburgh, Manchester, Knutsford, West Hyde and Kettering.

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 M^cAlpine, ActionFunder by Semble, and local government officials.

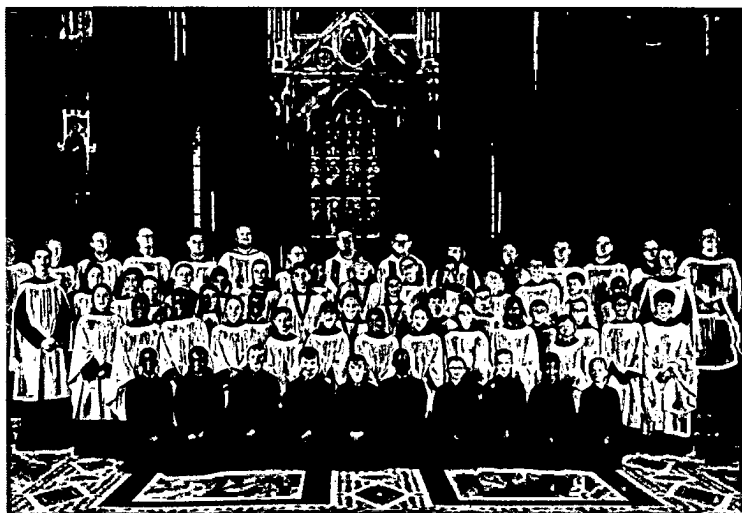
In order to be selected, the projects needed to demonstrate that they aligned with our inclusive values, would bring communities closer together and increase wellbeing.

In total, we provided £100,000 in support to 40 community projects across the country.

Recipients range from organisations working with those with dementia, to groups supporting refugees, victims of domestic abuse, and the elderly, as well as a variety of youth programmes and outdoor projects.

"On behalf of my colleagues and the choristers who benefitted from your most generous grant, I would like to express our immense gratitude to all those who were involved to enable this to come to fruition."

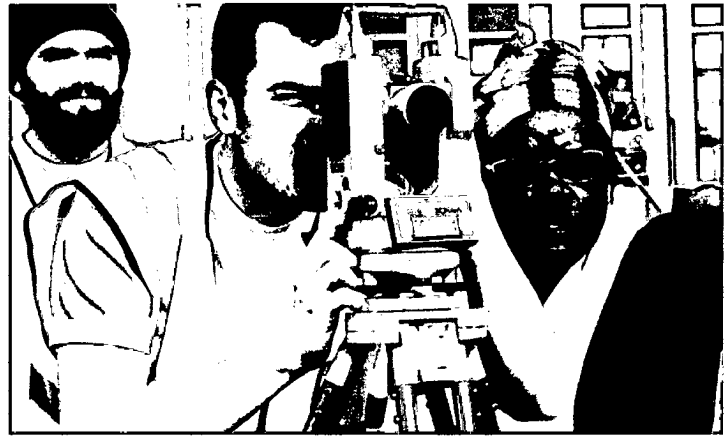
Tansy Castledine, Director of Music, Peterborough Cathedral



Employer-led skills with the Career Colleges Trust

As part of our work to address the skills gap and build an inclusive workforce, we are working with the Career Colleges Trust to establish the first Construction Career College in Scotland with the City of Glasgow College. Our partnership supplements the existing construction curriculum with the digital skills needed in a modern workplace.

Launched in 2019, this pioneering initiative offers employer-led skills training to 16-18 year olds, with a focus on the new digital methods of construction which are becoming crucial within today's industry. A collaborative employer board has been established, with a range of businesses who share their insight and play an active part in securing a high-quality skills pipeline.



The City of Glasgow College course had a successful start this year, and more colleges are showing an interest in running the course in future years, teaching students the skills that employers need.

[Read more about the Career Colleges Trust](#)



Helping rehabilitation

Key4Life works to reduce re-offending through an innovative rehabilitation programme for young men in prison and those at risk of going to prison. We were among the first UK companies to be awarded the YOUNITED Flag award for our work to employ ex-offenders. We have supported a Key4Life rehabilitation programme, providing two young ex-offenders with work experience and exposure to the potential career opportunities available within the construction industry. Following the work experience, one of the participants was offered employment with us.

We also take part in local workshops, helping conduct mock interviews and providing feedback to Key4Life participants looking to move into stable employment.

[Read more about Key4Life](#)

Specialist teams

Our teams of in-house experts complement our construction services to deliver technical excellence and create value for our clients.



Capital Ventures delivers Maldron Hotel

Sir Robert McAlpine Capital Ventures (SRMCV) acquire land and property assets where they can deliver placemaking strategies in line with our ambition to make a meaningful contribution to society. They invest, develop and operate real estate opportunities that matter to people, prosperity and local pride and are trusted to deliver complex and challenging developments.

The Maldron Hotel, a high quality 4 star hotel in Manchester, is the latest project in a series of success stories for SRMCV. They acted as developer with a 50% stake in the joint venture development company as well as being the development manager providing overarching management and leadership to the scheme.

One team for all site needs

Our team at Kettering has the plant, equipment and technical know-how to service the most complex projects.

These in-house specialists have experience of providing creative and reliable solutions for site set-up, plant logistics, access and lifting needs.

They also bring clients a one-team approach, which simplifies communications, optimises response times and maximises value to our project teams.

The Kettering team offers:

- An extensive modern fleet of tower cranes and hoists.
- 1,200 high quality site accommodation units.
- Highly-trained maintenance and support teams.
- Industry-leading expertise in access, logistics and specialist lifting, plant selection and specification.





Building in value with M^cAlpine Design Group

The M^cAlpine Design Group are our in-house design specialists who do more than turn our clients' visions into reality.

They create true value through their experience in construction methodology, value engineering and alternative designs, helping save time, money and resources.

Using the latest technologies they develop innovative, cost-effective solutions that often push the boundaries of design and deliver projects safely, sustainably and to the highest possible quality.

Their breadth of expertise encompasses architectural, civil, structural and geotechnical design, as well as nuclear-related structural and civil design. They also provide safety case studies.

Technically accomplished, M^cAlpine Design Group's emphasis is always on ensuring safe construction methods, value for money and sustainability.

Beyond 1%



Beyond 1% podcast

Our Beyond 1% podcast highlights the real experiences of women in construction. It references the fact that, whilst women represent merely 14% of the workforce in the industry, only 1% actually work on sites.

This podcast series is about empowering women in construction, both on and off site. Each episode addresses stereotypes and confronts the realities of building a career in construction.

By giving a voice to women who work in the sector and sharing their stories, we hope to empower, educate and highlight the many opportunities open to women in our industry.

Digital construction

To us, digital construction is a way of working that underpins our integrated project teams through a collaborative environment. We are passionate and dedicated to providing construction technical excellence complemented by the role of data and technology in how we deliver and evolve.

We are driving technological advances in construction project delivery through the provision of innovative services, intelligent reporting and pioneering digital tools.

The key drivers outlined in our digital construction strategy are defined through our internal Digital Construction Project Maturity Menu. This sets out clearly how we define and leverage our digital deliverables across the project lifecycle and more importantly across all project activities.

We are continually supporting development in industry through our participation in the UK BIM Alliance working groups and contribution to industry initiatives such as Innovate UK, Centre for Digital Built Britain and Construction Innovation Hub.



Harnessing project data analytics for productivity

Sir Robert McAlpine has been leading the way on data and technology by spearheading the Construction Data Trust for the benefit of the wider industry. The Trust enables organisations from across the industry to pool project delivery data, collaboratively and securely, in order to extract insights that would otherwise have been impossible. It uses artificial intelligence and advanced project data analysis techniques to drive improved data quality, unlock cost effective innovation and create one cross-industry response to common challenges.

We are also a member of the Data Analytics Taskforce, which provides a UK based forum for instigating, co-ordinating and inspiring work on project data analytics. The Taskforce is seeking to provide the democratisation of data, project data analytics methods, tools, code and good practice, to enable everyone to move more quickly, together.

Proud partners of the British Paralympic Association

Our partnership with the British Paralympic Association (BPA) is something we're extremely proud of. Supporting the most inspirational team of athletes in the UK is the right thing to do because it aligns with our values and reflects both our passion for inclusion and our constant pursuit of excellence.

Working closely with the BPA, we've had the privilege of getting to know several athletes across various disciplines.

Through a series of virtual sessions with our people, Paralympic athletes told their stories, passing on tips for building resilience, overcoming challenges and offering an insight into their preparations for the Games.

Each athlete shared their thoughts on the importance of creating an inclusive culture, the changing language around disabilities, and how they felt about representing their country in Tokyo.

We have recently renewed our commitment to the team, who we will be supporting all the way to Paris 2024.



Celebrating talent and excellence: Awards 2021

We are incredibly proud of the outstanding projects we deliver and, even more so, of the talented people who deliver them. Industry awards and accolades are a testament to their ongoing commitment to excellence.

Two of our flagship projects were successful at the Building Awards 2021. 100 Liverpool Street won Building Magazine project of the year and the Royal Albert Hall was highly commended in the Refurbishment Project of the Year category.

Structures Engineer Paula McMahon celebrated two accolades at the North East Stem Awards: Highest number of hours by a North East STEM Ambassador and Special recognition award for outstanding contribution to STEM Education in the North East.

Materials Engineer, Mimi-Isabella Nwosu, received the Women Leaders Association (WLA) "Rising Star" in STEM Award.

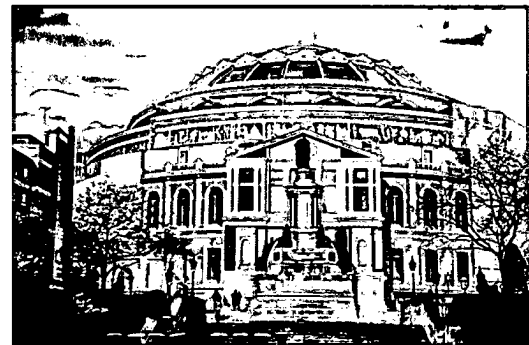
100 Liverpool Street was named commercial project of the year at the British Construction Industry Awards.

100 Liverpool Street was also one of four winners in the Structural Steel Design Awards. It then went on to win the CONSTRUCT Projects Awards 2021 (awarded to Realtime Civil Engineering), recognising excellence, capability and inventiveness in concrete construction.

Two site teams were recognised at the Considerate Constructors Scheme National Site Awards 2021. The Spark, Newcastle won Most Considerate Site Award and Battersea Power Station Phase 3 took runner-up at the Considerate Constructors Scheme (CCS) Awards.

The joint venture team at Jersey General Hospital Nightingale Wing won the Integration & Collaborative Working Award at the Constructing Excellence SECBE Awards.

The Royal Albert Hall, London



Paula McMahon, outstanding contribution to STEM Education in the North East



1-5 Grosvenor Place, Hyde Park, London



100 Liverpool Street, London



Our in-house M^cAlpine Design Group was shortlisted at the Ground Engineering Awards in the category UK Project with a Geotechnical Value over £3m category for their work at 1-5 Grosvenor Place, Hyde Park, London.

Integrated Health Projects (IHP), the VINCI Construction UK and Sir Robert M^cAlpine joint venture, celebrated a triple win at the Building Better Healthcare Awards 2021, taking home Best Covid-19 Building Design Project, Best Covid-19 Project Team, and Clinician's Choice.

IHP was also highly commended in the European Healthcare Design Awards 2021, for Blossom Court, St Ann's Hospital, and Pears Maudsley Centre for Children and Young People.

Jersey General Hospital, Nightingale Wing



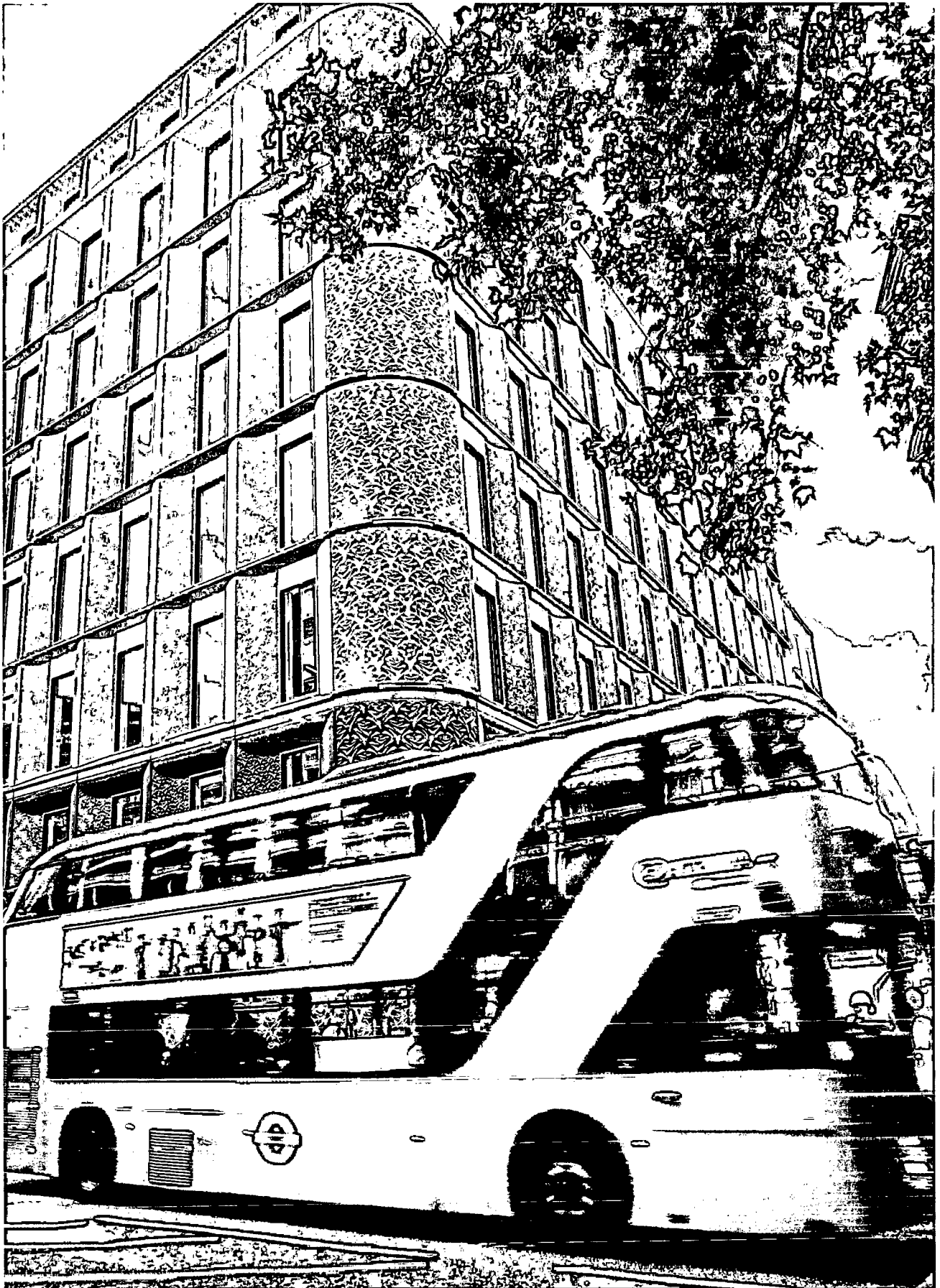
The Spark, Newcastle upon Tyne



Delivering excellence.

Proudly building high quality assets
| with our clients

Ilona Rose House, London





1 Broadgate, London

This landmark mixed-use building in the City of London is the fifth project to be delivered under the Broadgate Framework for British Land and GIC and is one of the largest design and build schemes we will have delivered in London.

The 14-storey scheme comprises 500,000 sq ft of office accommodation and follows the delivery of award-winning projects 100 Liverpool Street and 1 Finsbury Avenue.

The Spark, Newcastle upon Tyne

We are proud to have been key construction partners throughout the development of the Newcastle Helix. In addition to the 12-storey The Spark, our teams have constructed The Core, The Lumen and the Frederick Douglass Centre as well as a 560-space multi-storey car park within the Science Central masterplan.

The Spark achieved BREEAM 'Excellent' at design stage and achieved an EPC rating of A. In 2022 we will fit-out the top four floors for tenants





Tower Works, Leeds

When complete, Tower Works will provide two new residential buildings offering a combined total of 245 build to rent apartments and duplexes to the south of the railway station.

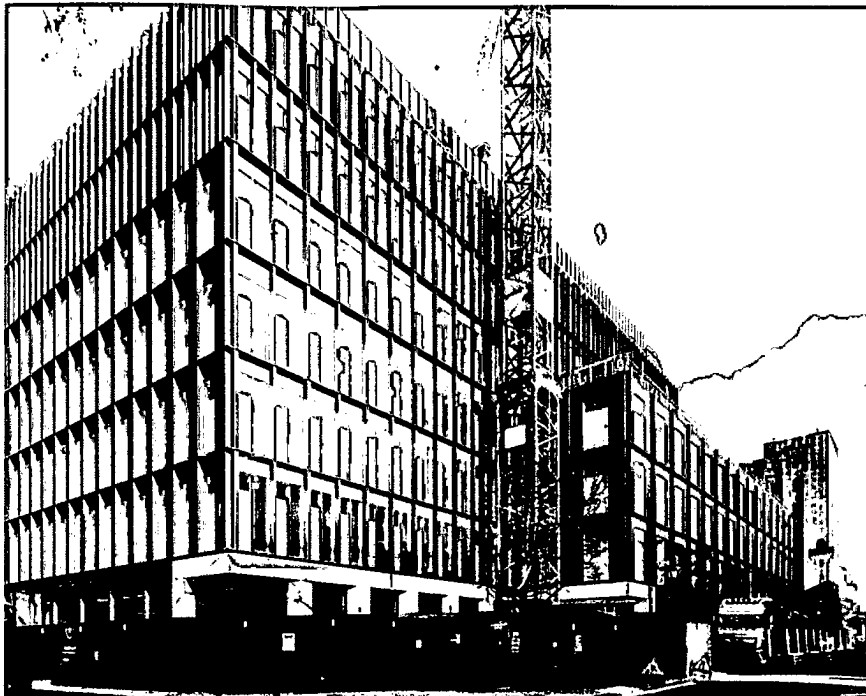
The scheme design includes a pedestrian route which will connect the surrounding communities with Leeds city centre, and three new public squares designed around each of the site's iconic chimneys.

Mustard Wharf, Leeds

Mustard Wharf is the first build to rent development in the South Bank area of Leeds. Completed in 2021 it comprises three buildings, providing 247 boutique apartments and ground floor retail situated in the heart of Leeds.

Located alongside the Leeds and Liverpool Canal, the development features intricate brick and stone façades and punch windows.



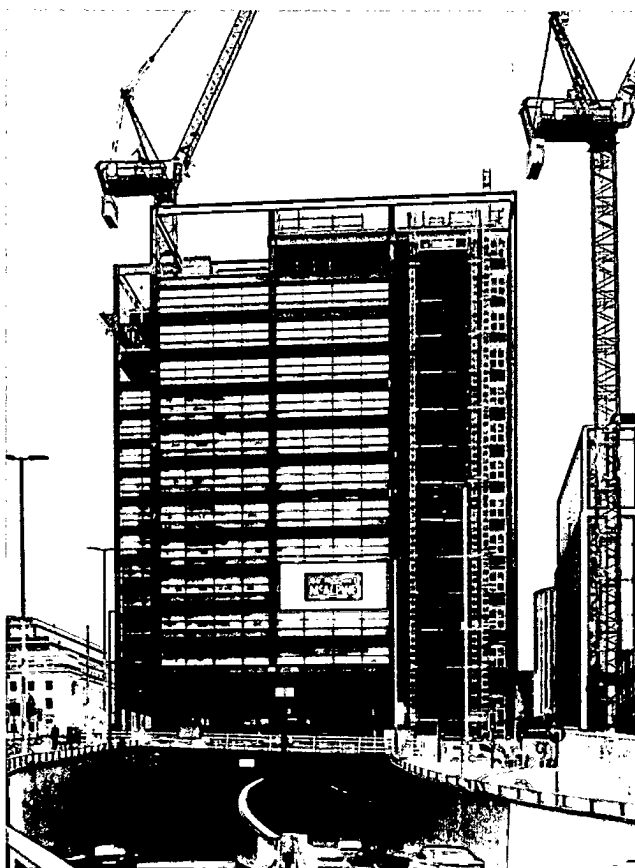


The Forge, London

The Forge is the world's first large-scale office scheme to be built using a standardised "kit of parts", an approach known as platform design for manufacture and assembly (P-DfMA).

The structural steelwork, temporary works, cladding and on-floor mechanical, electrical and plumbing are all standardised, based on a prototype created by client Landsec with their design partners Bryden Wood and manufacturing specialist Easi-Space.

This approach demonstrates that a set of standard components can be combined to create a range of customised spaces, saving time and money, improving quality and safety, and reducing waste.



One Centenary Way, Birmingham

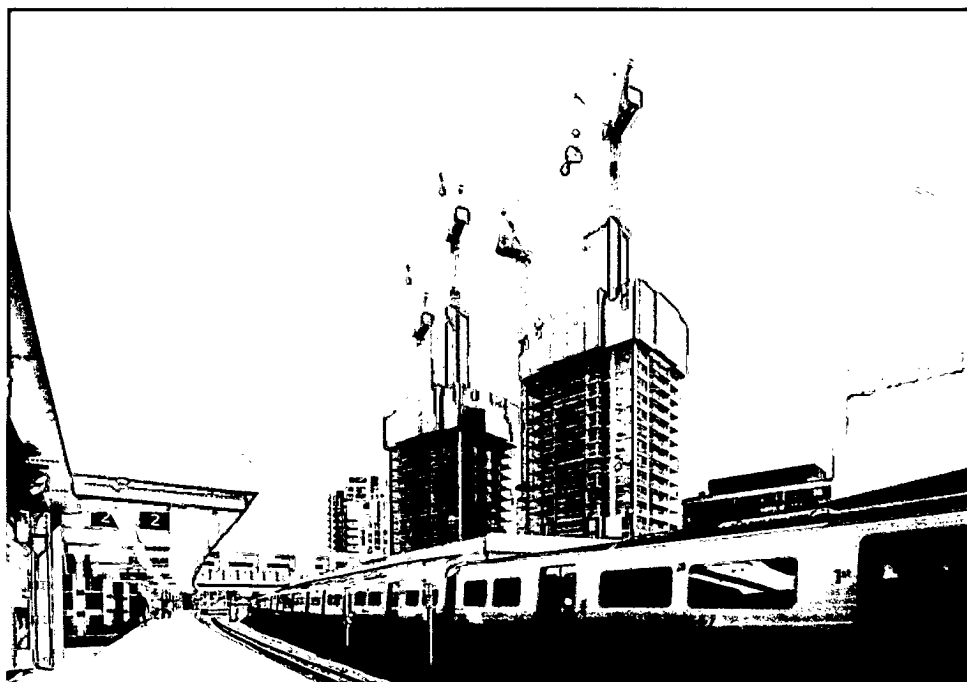
One Centenary Way is a complex 12-storey 265,000 sq ft commercial building, located directly above the Queensway Tunnel in Birmingham City Centre. 16 transfer trusses span across the tunnel and are amongst the largest ever designed and constructed for a UK commercial building. The largest truss spans 34m and is 6m high.

Our in-house Design Group (see page 27) provided ground engineering and piling expertise to advise on our approach to the complex piling, which took place in close proximity to existing structures.

Morello II, Croydon

The Morello Estate will provide 456 residential units across three separate buildings in South Croydon. Two 25-storey towers will be home to 338 residential apartments, whilst the adjacent Cherry Orchard Gardens, a nine-storey building, will provide 118 units for shared ownership and social rent.

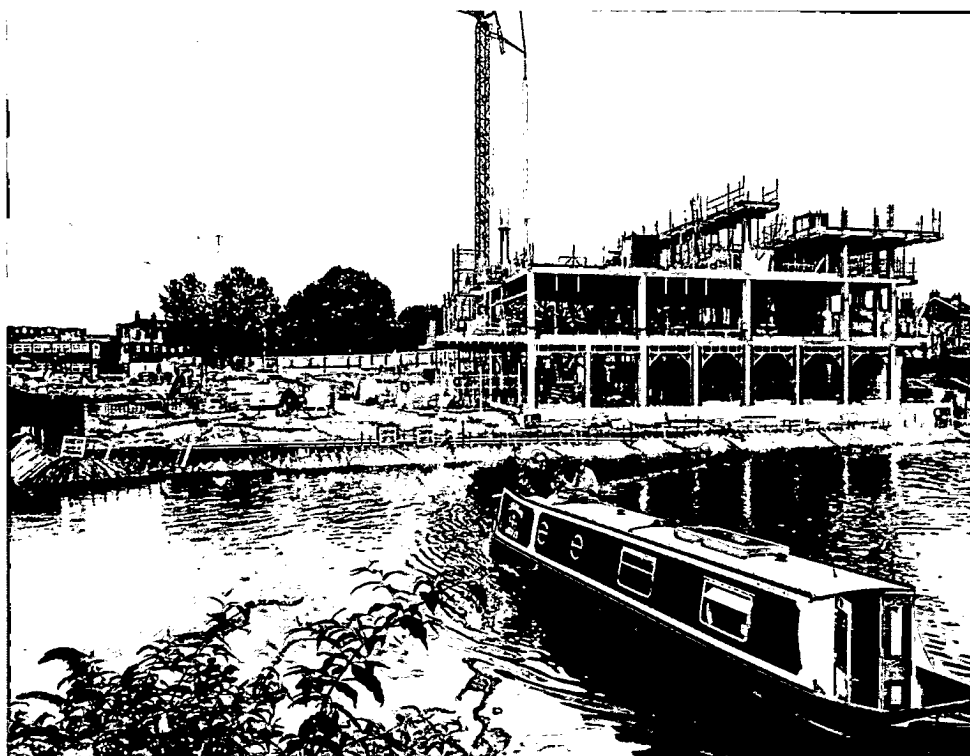
In addition to the new homes, the development also includes retail and commercial space, new public realm and a new link bridge to East Croydon train station.

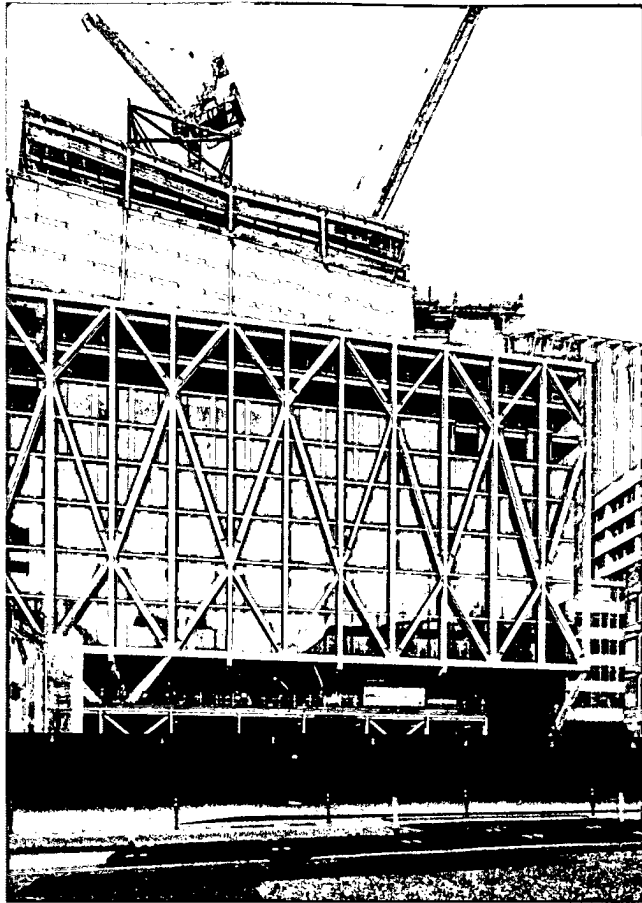


Island Quarter, Nottingham

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

The entertainment venue incorporates the 'Pavilion' building offering bars, fine dining and internal and external events spaces including a bandstand.





21 Moorfields, London

21 Moorfields is a 16-storey, 470,000 sq ft commercial building sitting above a working tube station and a future Crossrail ticket hall.

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.

Façades feature 33 different cladding types and with 16,500 tonnes of permanent steel and 1,500 tonnes of temporary steel, 21 Moorfields is more than twice the weight of the Eiffel tower!

Our in-house Design Group (see page 27) provided invaluable technical advice and support in relation to the main structure, as well cost-effective and safe temporary works design.

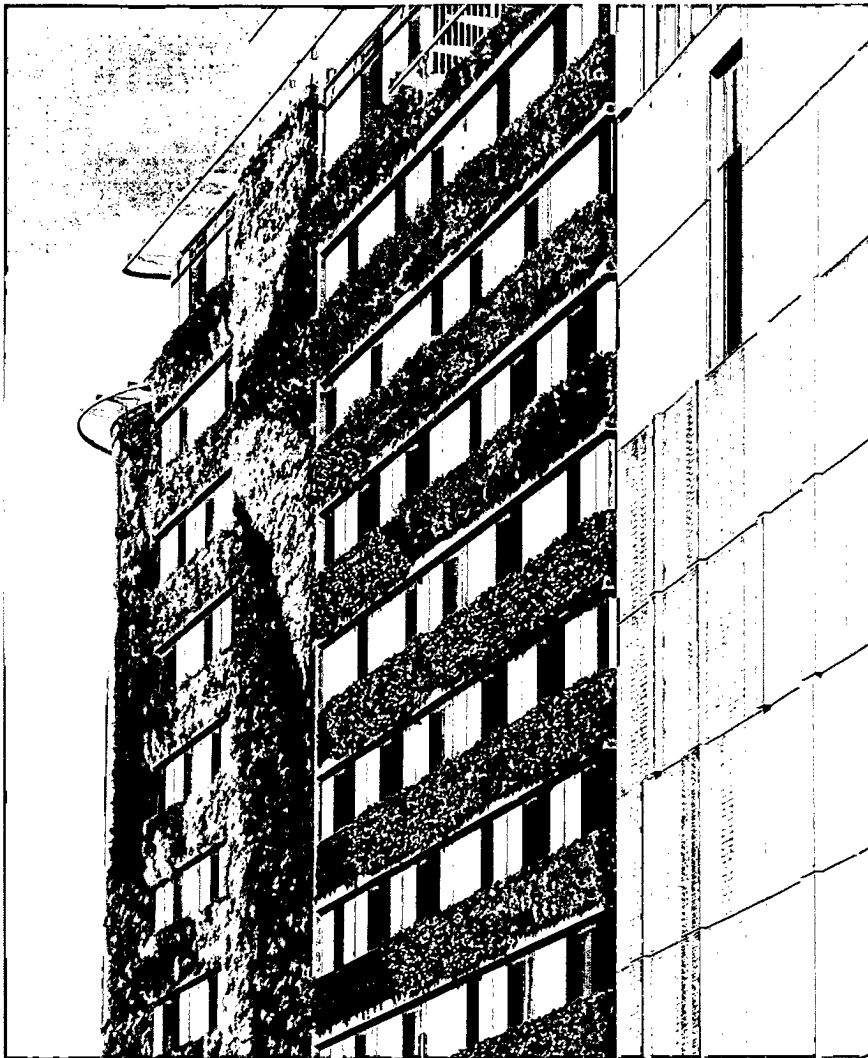
Prospect Place, Battersea Power Station Redevelopment, London

Prospect Place comprises 308 new homes including studios, one, two, and three bedroom apartments, alongside four bedroom townhouses and penthouses.

Bringing the 15-minute neighbourhood to life, double-height retail units are located at street level forming one half of Electric Boulevard, which will be the main pedestrian gateway to the development and a new high street for Battersea, offering a mix of office space, shops, bars and restaurants.

Prospect Place and Battersea Roof Gardens sit to the south of the Power Station, with a children's playground, Prospect Park and Electric Boulevard, the new high street, also forming part of this phase.





Victoria Place, Woking

This vast mixed-use town centre scheme provides 170,000 sq ft of retail space, a 22-storey Hilton hotel and two private rental scheme residential towers of 30 and 34-storeys.

We delivered the residential fit-out along with a medical centre, car parking, public realm work and an energy centre.

Belle Vue Academy, Manchester

This new secondary school on the site of a former Showcase Cinema in Manchester will provide accommodation for 1,200 students from years 7-11 as well as state-of-the-art sports, teaching and expressive arts facilities, making it a fantastic hub open to the whole community.





Gateway Central, London

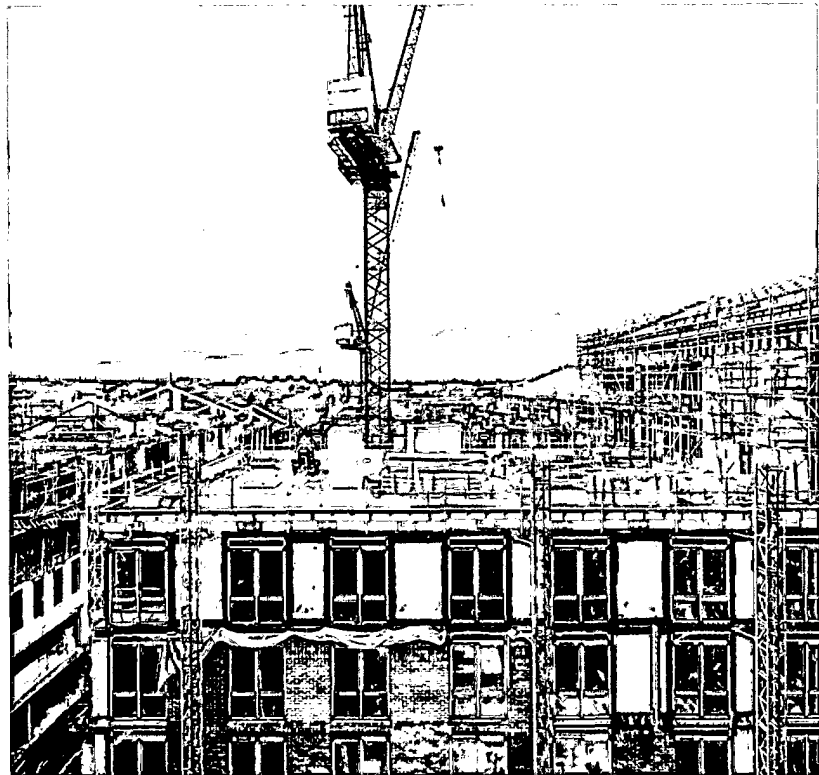
The Gateway scheme presents the next stage in the regeneration of the former BBC Media Village site to promote White City Place as a media, technology and creative industries hub.

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 four-storey Grade A office building.

Hockley Mills, Birmingham

We are delivering a new build to rent residential led, mixed-use scheme in the heart of Birmingham's Jewellery Quarter with our development company Sir Robert M°Alpine Capital Ventures (SRMCV). SRMCV are providing development management services to the scheme.

The project will provide 395 one, two and three bedroom apartments alongside a new entrance to the Jewellery Quarter train station, 116 car parking spaces and 28,000 sq ft of flexible commercial space for retail, leisure and offices.



Conserving Britain's heritage

We are privileged to work on complex heritage restoration and signature new build projects. Our Special Projects team provide the technical excellence and expertise needed to deliver these schemes.



Project Pegasus, London

We applied our extensive experience to renovate these heritage buildings at the Inner Temple, which are more than 800 years old and home to barristers for over 600 years.

This extensive modernisation of the Inner Temple's Treasury Building, Library and Hall was the first opportunity for redevelopment since they were reconstructed following Second World War damage. We carefully stabilised, remodelled and refurbished the building and added a new upper floor.

St Marylebone Parish Church, London

Our Special Projects team are principal contractor for the St Marylebone Parish Church Changing Lives project in London, that will see the restoration and refurbishment of this Grade I listed building.

The Changing Lives campaign will make urgent improvements to the building, including the Parish Church Crypt, which is in need of redevelopment and modernisation to house new visitor and community spaces with safer and more accessible entrance routes.





Courtauld Connects, London

The expert knowledge of our Special Projects team and supply chain helped to realise the modernisation of the Courtauld Institute of Art, Somerset House.

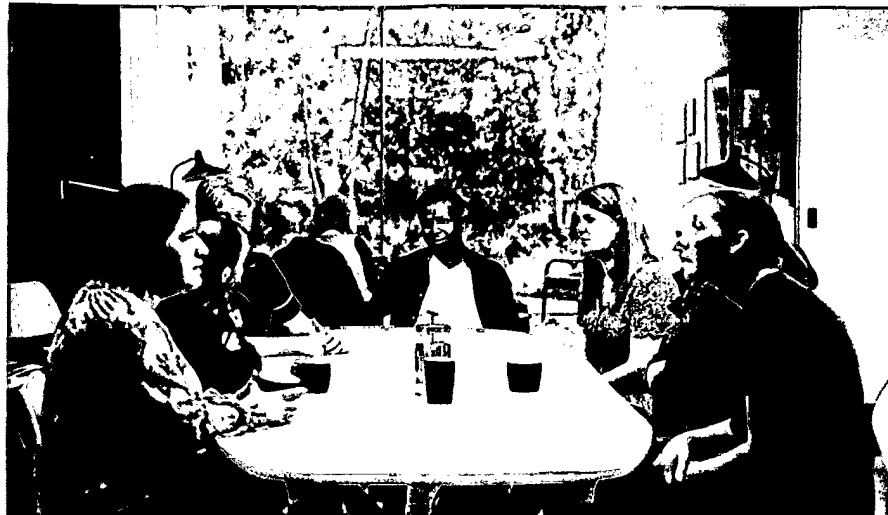
Courtauld Connects is the most ambitious development the Courtauld Institute has seen since moving to Somerset House in 1989. It has delivered improved gallery spaces and educational facilities resolving many accessibility issues throughout the building.

80 Strand, London

We are transforming the Grade II listed Shell-Mex House into a new workplace that focuses on the comfort and wellbeing of the people who work there.

The refurbishment and redevelopment of this Art Deco icon will connect the building to the neighbouring Covent Garden and bring the workspace in line with modern working trends.





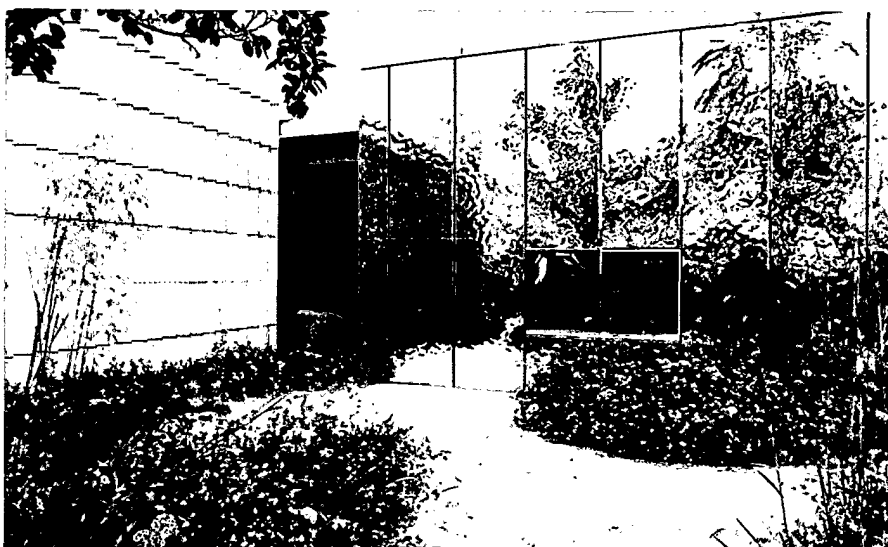
Maggie's, Southampton

Set within the grounds of Southampton General Hospital, Maggie's Southampton is the latest centre to be delivered for the charity.

Maggie's centres are run by expert teams who provide a full programme of support to help people live well with cancer. The centre in Southampton is open to all cancer patients and friends and family of patients who are receiving treatment at the Hospital or elsewhere.

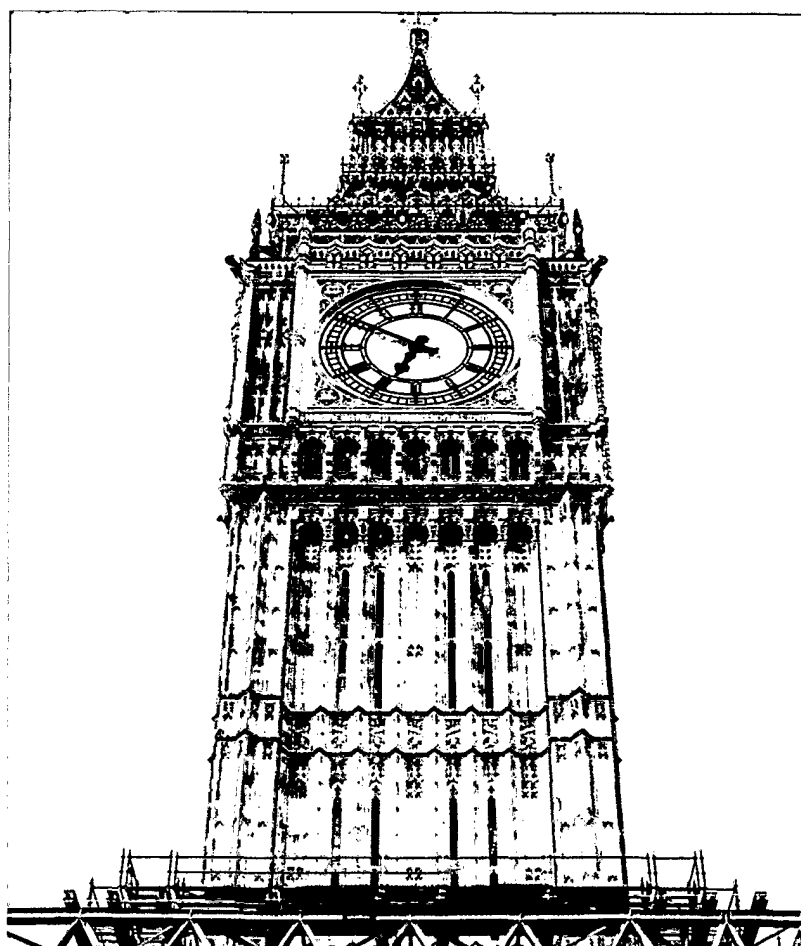
We are also constructing a new Maggie's cancer support centre within the grounds of the Royal Free Hospital in London.

More information on our partnership with Maggie's can be found on page 24.



Elizabeth Tower, Westminster London

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 have been carefully cleaned, the glass replaced and the hands conserved.



Our healthcare projects

Our extensive expertise in the healthcare sector is reflected in our growing portfolio of projects and clients across mental health, acute care, private and third sector providers.

Barn Theatre, Airedale General Hospital, Keighley

The Barn Theatre was built in support of Airedale NHS Foundation Trust's commitment to modernising and improving theatre and operating capacities for their patients. The theatre incorporates two orthopaedic tables, with shared auxiliary rooms and services, enabling knowledge sharing during real-time surgery. The project was secured via a PAGABO Framework agreement (A National Framework providing a procurement process for public sector clients). Additional work delivered for the Trust includes a 48-bed Acute Assessment Unit.



Springfield University Hospital, Tooting, London

We are working with Sir Robert M'Alpine Capital Ventures (SRMCV), our development company, to deliver the South West London and St George's Mental Health NHS Trust's Estate Modernisation Programme which includes new inpatient and outpatient facilities and 839 homes.

SRMCV are the master developer for Springfield and alongside the Trust are dedicated to supporting the delivery of high quality, innovative care which is a milestone in changing perceptions of mental health.

In addition to providing roads and infrastructure, we will create the largest new park in London since the Queen Elizabeth II Park, serving the community of Wandsworth and South West London.



Douglas Bennett House and Children & Young Persons Unit, Southwark, London

This purpose-built mental health facility is being constructed under the Procure 21+ framework. Facilities 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.

We are also constructing a nine-storey Children & Young Persons Unit which includes an 18-bed ward, clinical rooms and a school.

We are delivering these projects as Integrated Health Projects (IHP), a joint venture with VINCI Construction UK.

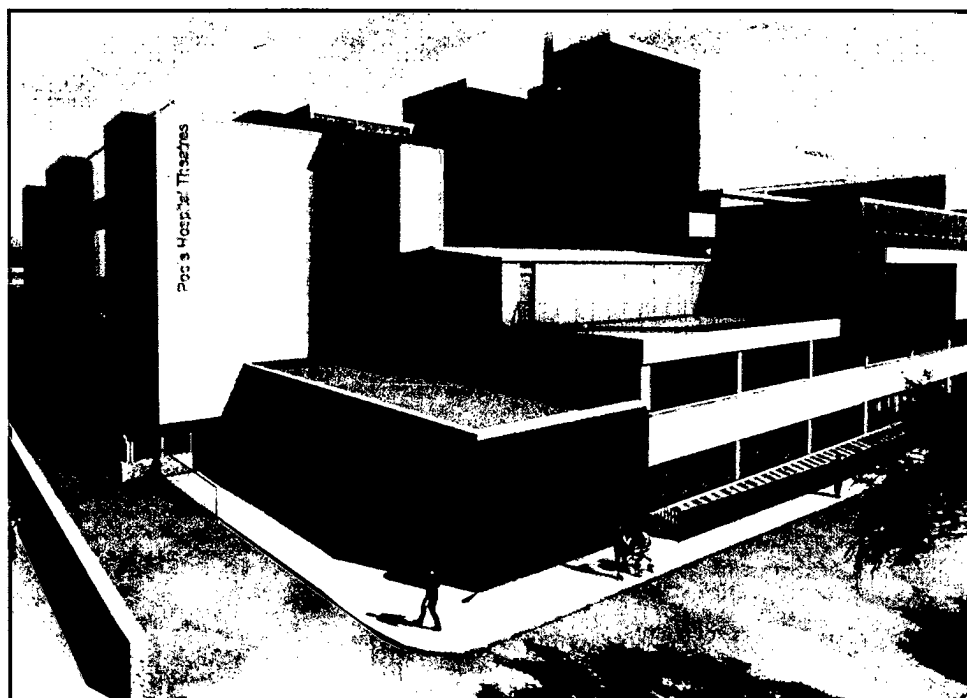
Care Environment Development and Re-provision (CEDAR) Upgrade Programme, Cumbria & Northumberland

Procured through the PAGABO framework for major capital works, we are the delivery partner for the CEDAR upgrade programme for Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust.

We are constructing a new medium-secure centre at Northgate Hospital, Morpeth and remodelling two existing wards at the Ferndene Children and Young people's Mental Health and Learning Disability Unit at Prudhoe to medium-secure standard.

We have completed phase one facilities at Ferndene, which included 40 patient bedrooms along with dining and sports facilities and external gardens. The Northgate and Ferndene projects will be followed by the reconfiguration and re-provision of mental health adult acute inpatient services at St Nicholas Hospital's Bamburgh Unit in Gosforth.





The BEACH, Royal Bournemouth Hospital, Bournemouth

As part of Integrated Health Projects (IHP) we are providing major and minor works at Poole Hospital and the Royal Bournemouth Hospital.

In Bournemouth, the BEACH Building is a complex development which will enable the Hospital to become the major emergency facility for Dorset. Constructed over six-storeys, it provides a new maternity unit, children's unit, critical care unit and enhanced emergency department.

Additional theatre capacity is being created at Poole Hospital along with a new pathology facility and significant ward remodelling.

Cleveland Clinic, Belgravia, London

The new private hospital sits opposite Buckingham Palace Gardens in the heart of Belgravia. The project saw the interior of a former office block completely remodelled into a state-of-the-art healthcare facility which will offer speciality services focusing on general surgery, cardiology, orthopaedics and neurology.

Behind its three retained and restored façades, the existing building was completely demolished to create a new concrete-framed hospital.

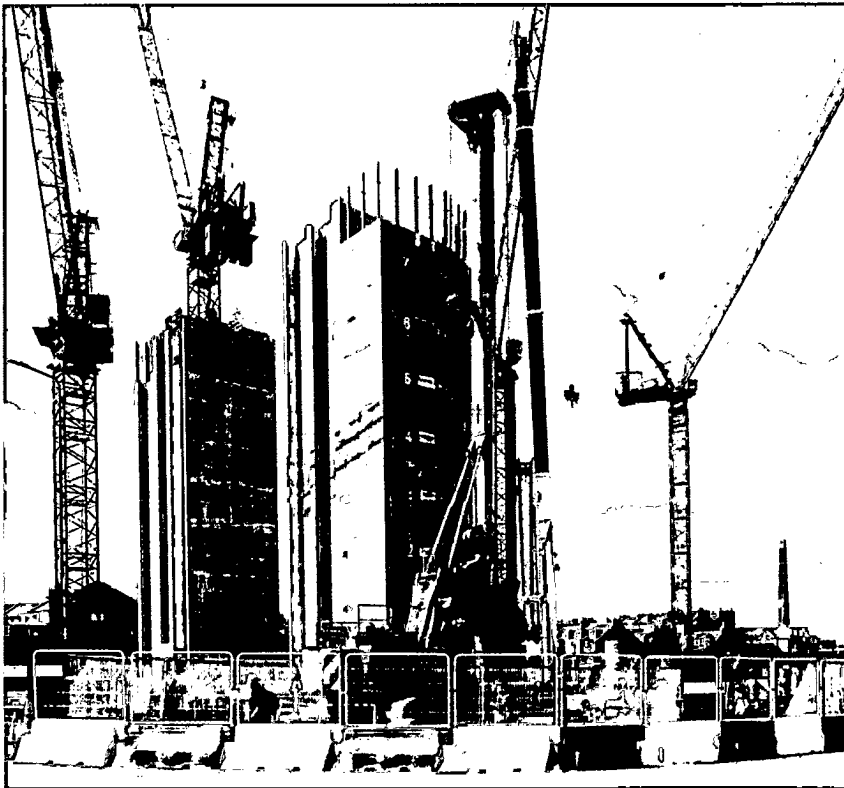
Facilities include 185 inpatient beds, eight operating theatres, a full imaging suite, endoscopy and catheterisation labs, day case rooms for surgery and a full neurological suite with rehabilitation.



1 New Park Square, Edinburgh Park, Edinburgh

The scheme comprises the design and construction of a five-storey, 80,000 sq ft commercial building providing Grade A office space and a multi-storey car park with capacity for 512 parking spaces within the Edinburgh Park Southern Phase development.

The main façade features brickwork with deep window reveals and balconies. A green roof and solar panels are located at roof level. Site infrastructure work includes a multi-use games area, a new public square and enhancements to the Edinburgh Park tram station approach.



Haymarket, Edinburgh

Edinburgh's iconic Haymarket site in the heart of the city centre is set to become the highest profile mixed-use development in Scotland. The four acre site is located immediately adjacent to Haymarket railway station and tram stop and will provide circa 650,000 sq ft of office, hotel and retail and leisure space over five buildings.

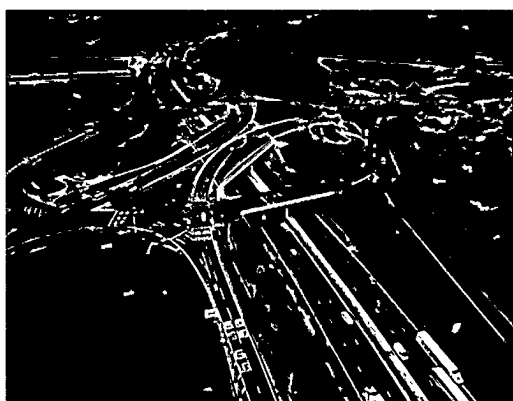
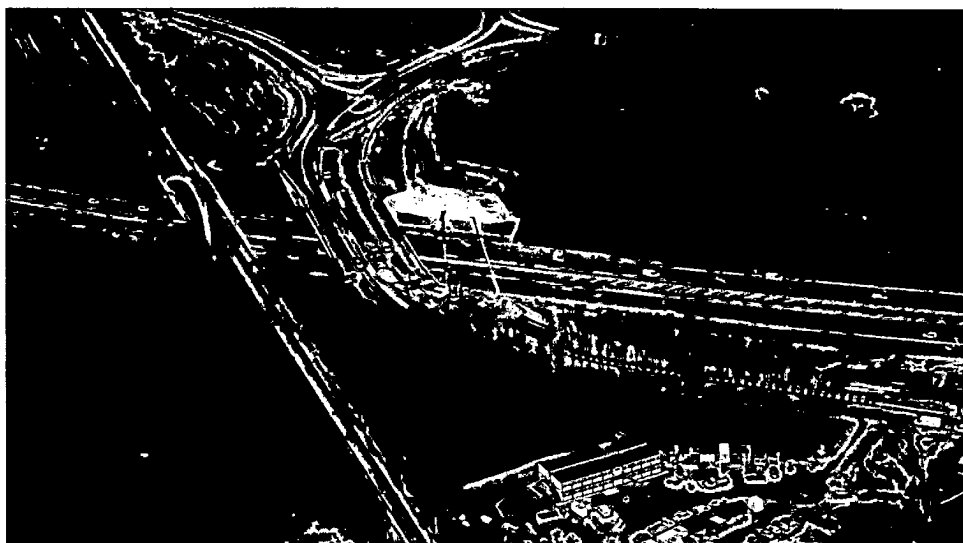
Our civil engineering projects

Our civil engineering team are delivering some of the country's most technically complex and challenging infrastructure projects.

A533 Expressway Bridge Replacement Scheme, Runcorn

The M56/A533 Expressway Bridge carries the A533 over the M56 motorway between junctions 11 and 12 near Runcorn.

The existing 50 year-old structure will be replaced with a new 67m two-span concrete bridge, consisting of a single two-lane carriageway and a combined footpath and cycleway. A significant part of the structure will be constructed off-site to minimise disruption to the road using public.



M6/J19 Improvement Scheme, Knutsford

The M6 Junction 19 improvement scheme forms part of a comprehensive upgrade of Manchester's southern access. We delivered the scheme in joint venture with Amey as one of National Highways Delivery Integration Partners. A new bridge was constructed through the existing roundabout and over the M6, creating a better traffic flow between the motorway and the A556 and providing improvements for pedestrians and cyclists.

The joint venture collected four prestigious National Highways awards.

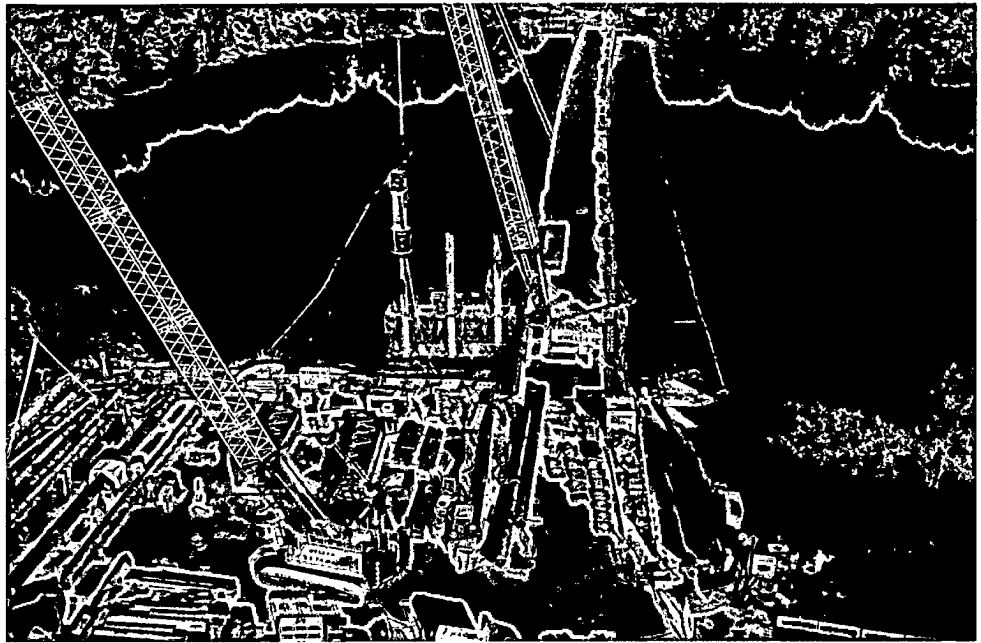
Customer-focused champion of the year – AmeySRM

Jon Pettman - Traffic Management Manager, M6 Junction 19 Improvement scheme

Customer-focused network management – AmeySRM
M6 Junction 19 Beam Installation

**Exceptional contribution to workforce safety projects
£50 million and under**

Chairman's Award - **Jon Pettman Traffic Management Manager for AmeySRM projects.**



HS2 Civils Package C1, Colne Valley Viaduct & Chiltern Tunnels, Colne Valley

As HS2's main works contractor Align joint venture, a team made up of Bouygues Travaux Publics, Sir Robert M^cAlpine and VolkerFitzpatrick, we are constructing the UK's longest railway bridge - the Colne Valley Viaduct.

Stretching for 3.4km across a series of lakes and waterways just outside London, the viaduct will carry high-speed trains as part of the HS2 project, designed to improve rail links between London, Birmingham and the North, boost the economy and provide a low-carbon alternative to car and air travel.

1,000 enormous concrete deck segments, weighing up to 140 tonnes each, are being made on site at a mammoth 100m-long temporary factory built specifically for the project.

Every segment will be a slightly different shape depending on where it fits into the viaduct, and the modular approach was chosen to ensure quality, safety and efficiency in production and to avoid transport by road.

At the peak of construction, around 12 segments, each the size of a double-decker bus, will be cast every week using a 'match-casting' technique. This approach, where each segment is poured against the previous one, will ensure the whole arch fits perfectly when reassembled on site.

Beneath the Chiltern Hills, two Tunnel Boring Machines (TBMs) named Florence and Cecilia continue to excavate twin ten mile long tunnels, with both expecting to complete their journey in three years' time.

Both TBMs are designed specifically for the geology of the Chilterns, and are self-contained underground factories; digging the tunnel, lining it with concrete wall segments and grouting them into place as it moves forward.



Highways Routine Operations and Maintenance, A19 Teesside and M6 Scotland

We are working with Sir Robert M^cAlpine Capital Ventures to operate and maintain these two highways projects. A 120km section of the A19/A168 from Dishforth in North Yorkshire to the Tyne Tunnel and 90km of the A74(M)/M74 from the border at Gretna to Junction 12 at Millbank.

Our Routine Operations and Maintenance teams are responsible for bridge inspection, maintenance and strengthening and parapet maintenance upgrades to incident attendance, road resurfacing and strengthening and winter maintenance delivery.

The teams also respond to traffic accidents and incidents 24 hours a day, 365 days a year.

Embankment Origin and City Suites 2, Salford, Manchester

Embankment Origin comprises two buildings. The 16-storey Laurence Place residential building, providing 209 apartments, and Exchange Point, an 18-storey residential building offering 147 apartments.

At 17-storeys high, City Suites 2 is the third building located on the site, offering 142 apartments with the top four floors featuring residential super suites.



Station Hill Redevelopment, Reading

We have been appointed as lead contractor for the second phase of the Station Hill regeneration scheme in Reading.

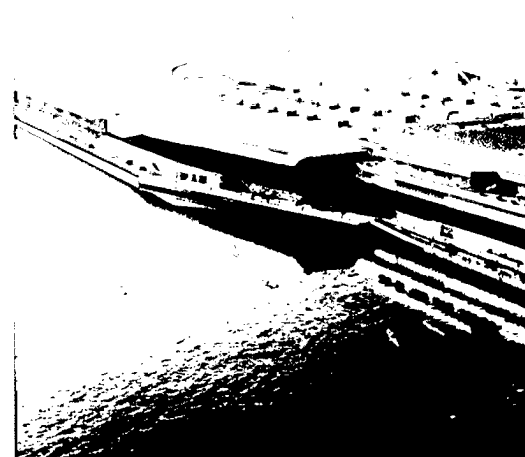
We will be delivering the most prominent phase of the project, which includes 'ONE' Station Hill, a 275,000 sq ft office building, along with a new public square and a link bridge providing level access from the train station through to the town centre.

ExCeL, London Docklands

When complete, this new extension will increase London's largest conference and exhibition space by 25% (440,000 sq ft) to meet demand for hosting world-leading events.

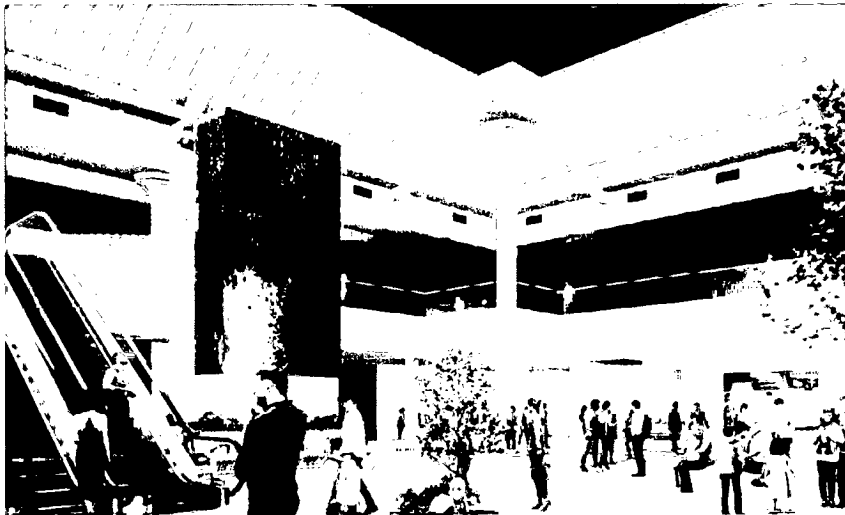
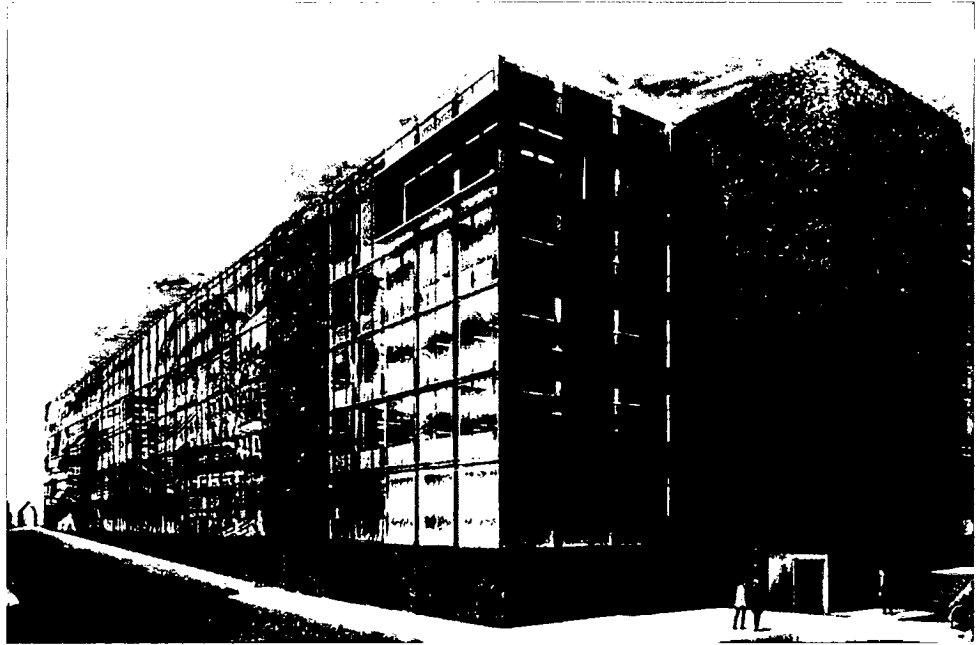
In addition to the new event space, ExCeL will be able to offer an improved visitor experience with modern meeting rooms, breakout spaces and enhanced catering services.

This project continues our involvement at ExCeL following our delivery of the original centre in 1999, a Phase 2 extension and the creation of a Formula E racetrack in and around the building which held its inaugural event in 2021.



Farrington Row, Sunderland

The 650-space, multi-storey car park in Sunderland city centre will be the latest addition to the Riverside area of Sunderland.



Town Square, MetroCentre, Gateshead

We have returned to the MetroCentre to redevelop the main 'town square' area in readiness for the arrival of "H" Beauty (Harrods).

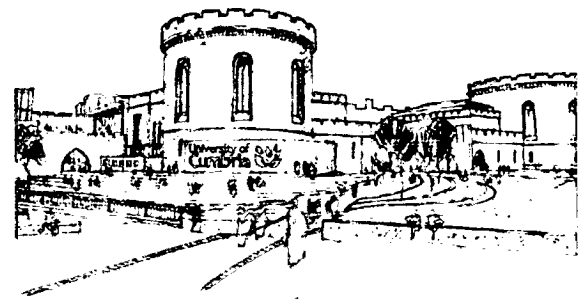
Citadels Campus, University of Cumbria

We have been selected as preferred contractor on the Citadels project, for the University of Cumbria in Carlisle.

A landmark development for both the city and the university, the project is led by the University of Cumbria, working alongside Carlisle City Council, Cumbria County Council and Cumbria Local Enterprise Partnership.

Citadels comprises 150,000 sq ft of new and 222,000 sq ft of refurbished university facilities.

The project includes new university buildings for various academic uses, refurbishment of the Grade 1 listed Citadel buildings plus catering areas and car parking.



Strategic report

Our sustainability strategy

Introduction

Embedding sustainability into our business requires us to think differently, embrace change and hold each other to account. We are an industry of problem solvers, and we must take every opportunity to utilise our engineering excellence in designing and building a built environment fit for our future.

At Sir Robert M^cAlpine, we're proudly building Britain's future heritage. We want to be part of the solution and deliver a future heritage where we address the challenges we all face, working together to become more sustainable.

Performance summary



Our strategy challenges our projects to embed sustainability into our delivery. What follows are some examples of where we have delivered against our overarching sustainability objectives on site.



Carbon

Delivering British Land's first net zero carbon project

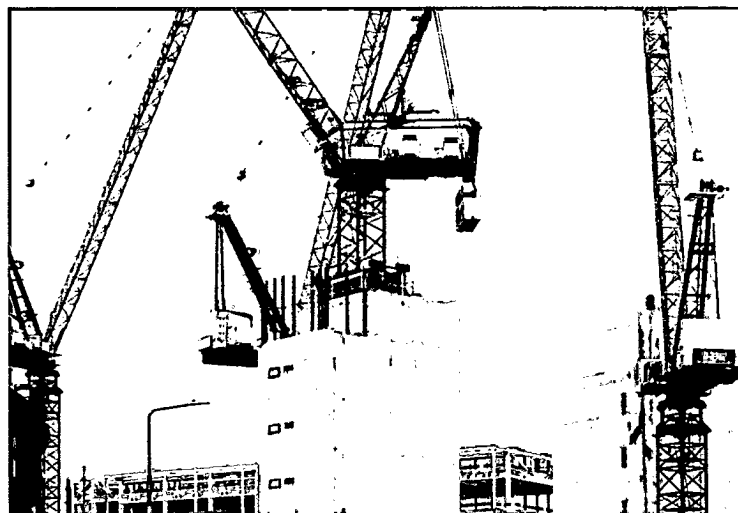
100 Liverpool Street was our client British Land's first net zero carbon development, and one of only a few in the UK to achieve that accolade. Buy-in from everyone involved in the project helped our team deliver exceptional results. Carbon reduction was a primary driver and from the outset of the design concept, the team looked to retain and reuse as much of the existing building as possible. This was coupled with design solutions focused on reducing the embodied carbon of the major building packages like concrete and steel design. The combination of these measures dramatically reduced the environmental impact of the building which has gone on to win multiple industry awards.

Powering towards a greener future

Working with energy specialist Aggreko we have successfully trialled low impact technology and more sustainable temporary site solutions.

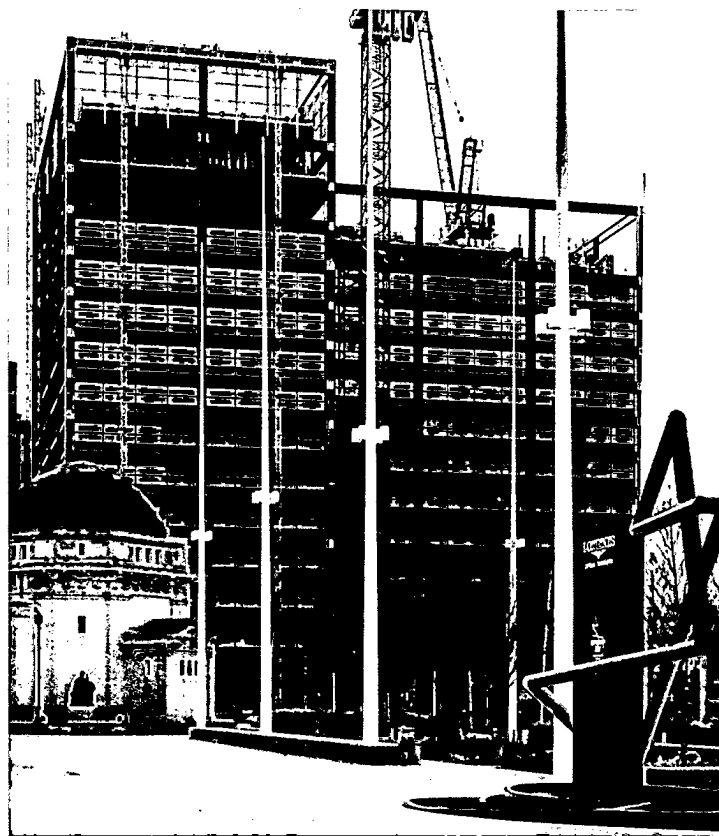
This included assessing the viability and scalability of load-on-demand solutions, battery assisted generators and the use of Hydrotreated Vegetable Oil for the generator set-up of our tower cranes. As tower cranes are normally oversized for their power requirement, we wanted to explore whether we could downsize generators to give better efficiencies, reducing emissions.

Following the successful trials, we will be rolling this technology out across our business to further reduce our emissions and deliver more sustainable solutions for our clients.



"It's important that we continue our huge strides to become cleaner, more efficient and more effective in our operations. I have been really encouraged by the trials that have been taking place working with Aggreko, we've seen real live data which has been pushing the boundaries and really testing what is possible. Moving forward we need to maintain momentum and ensure we all benefit from the results we have seen."

Steve Wright, Commercial Plant Manager, Sir Robert M'Alpine



Designing out carbon at One Centenary Way

By applying our expertise to scrutinise the design of our One Centenary Way project in Birmingham, we were able to deliver significant carbon reductions.

We worked with our supply chain partners to identify and install a steel frame solution which delivered a significant reduction in embodied carbon and had the added benefit of increasing the head height clearance on each floor.

Our alternative solution increased the recycled content of the steel to 64%.

Embodied carbon emissions decreased by 40%, 36% and 10% for the Whole Life Carbon Assessment stages A1 to A3, A1 to A5 and A to D, respectively.



Resource efficiency

A passport to circularity

Thanks to a collaboration between our Sustainability and Digital Construction teams and online material and product library Madaster, we trialled and implemented the UK's first Material Passport on our 1 Broadgate project.

Awarded a BREEAM innovation credit by the BRE, the benefits of implementing material passports include:

- Providing a circular index score, enabling review of circular economy strategies such as the use of non-virgin materials, component life extension and end-of-life scenarios;
- Monitoring and tracking the use of materials in the building supports circular economy decision making to improve residual value, enabling upcycling and reuse, and minimising waste; and
- Establishing a workflow for collecting and assessing data in collaboration with the project team and enabling future modelling requirements to be included in the project's BIM Execution Plans.



“As a trailblazer project this will help accelerate both our own and the wider industry’s transition to a circular economy.”

Simon Richards, Sustainability Director, Sir Robert McAlpine

Reducing impact and delivering resource efficiency

Material reuse has a significant part to play in improving our resource efficiency. At Cleveland Clinic we've overcome design and engineering challenges to build a new hospital behind a 1950s retained façade and structural elements. Our focus on resource efficiency saved 2,039m³ of material waste. Demonstrating how material reuse and refurbishment can contribute significantly to resource efficiency and deliver additional sustainable benefits such as:

- Less waste from demolition;
- Less virgin material use;
- Reduced embodied carbon; and
- Reduced impact on the road network.

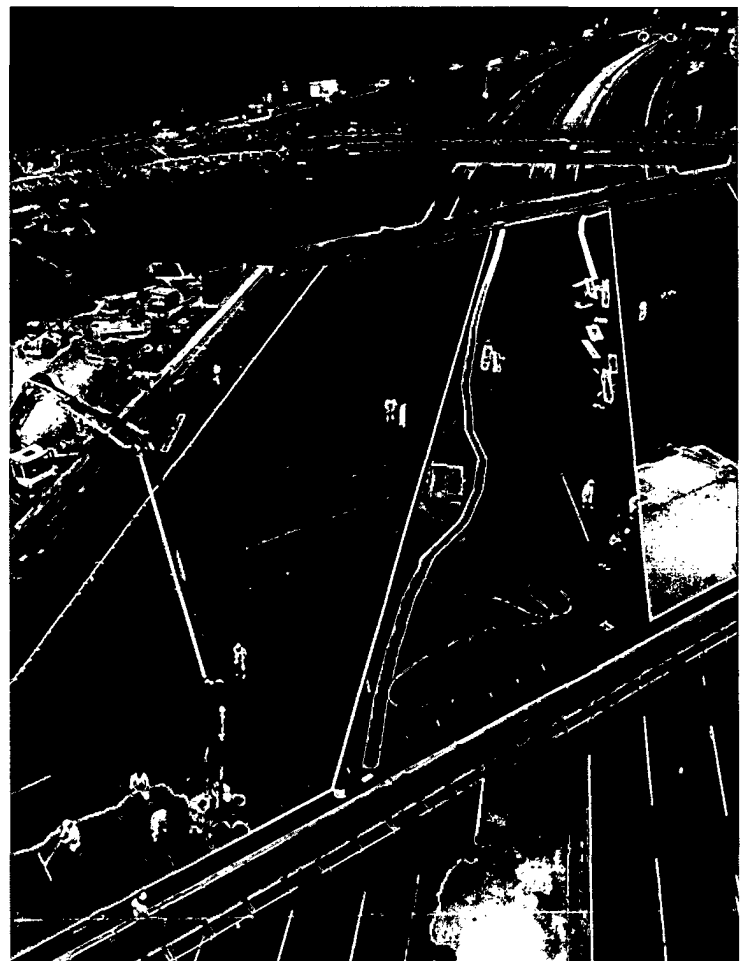


Delivering benefits in civil engineering

Delivering resource efficient infrastructure works for our client, National Highways was a key objective at our M6 J19 Improvement works.

To achieve this vision we implemented a suite of measures, which included:

- Efficient planning and programme development which enabled us to store and reuse 58,115m³ of subsoil and 3,577m³ of topsoil. This eliminated the need for new virgin material and saved an estimated 2,372tCO₂e;
- Incorporating temporary work elements into the final works. For example our crane mats, needed either side of the bridge, eliminated the need to remove and replace 2,278 tonnes of aggregate from site, saving a further 33tCO₂e; and
- 153m³ of redundant concrete barriers were crushed and re-used on site, avoiding the associated waste generation and transport impacts.





Ethical procurement



Supply chain training

As a founding partner of the Supply Chain Sustainability School (SCSS), we worked with the school to deliver a webinar to our supply chain partners on modern slavery.

The webinar provided an understanding of modern slavery, its extent, how it affects construction and what they could do to start tackling the risk of it where they work. This was followed by a specific online training workshop on due diligence.

Supporting training sessions like this means we can upskill ourselves and our supply chain partners, in our collective efforts to embed ethical procurement into the industry.

Strategic supply chain agreements

We have established strategic framework agreements with key material suppliers, ranging from concrete suppliers to kitchen furniture manufacturers.

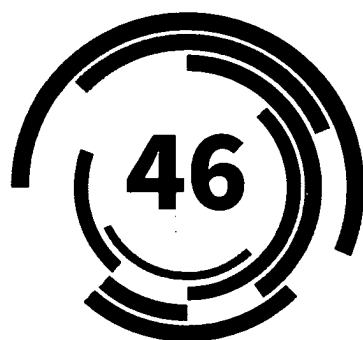
These frameworks enable us to deliver the following sustainability benefits:

- Mutual understanding of business sustainability objectives and how they can contribute to our requirements through investment in business operations, R&D or innovation;
- Understanding of innovative solutions to, for example, deliver a reduction in embodied carbon;
- Support for our Chain of Custody requirements, providing full traceability;

- Support for programmes which add value to local communities contributing to collective Social Value aspirations; and

- Material and product assurance via certification schemes such as ISO14001:2015, BES6001, FSC, PEFC & UK CARES.

Importantly, these framework agreements enable us to better understand the materials we procure and install on our projects. Closer alignment to our suppliers is ensuring that we continue to deliver for our clients with the confidence that procurement risk is minimised and delivering our sustainability requirements.



Framework agreements

Alice Hands, Head of Ethical and Sustainable Procurement



Thought leadership

Providing visible leadership and passionate advocacy on ethical procurement is essential to bringing it to the forefront of our procurement activity and wider industry. Throughout the year our Head of Ethical & Sustainable Procurement, Alice Hands has done just that, continuing her work to raise awareness of the importance of ethical procurement within the construction industry. This included providing thought leadership and direction in a number of forums:

- At the London Build Expo presenting on how to tackle Modern Slavery in Construction;
- As a guest speaker for the Chartered Institute of Procurement & Supply (CIPS) seminar series talking about modern slavery and ethical procurement; and
- Interviewed in a podcast by the Society for the Environment on her career, challenges in addressing ethical procurement and the opportunities the industry has to improve.



Social value

A19 leaving a positive legacy

Our A19 team are determined to provide a lasting legacy as a result of their works. Their commitment to social value resulted in the delivery of 194 wide ranging and impactful social value activities in a single year. These activities included school visits, curriculum support, apprenticeships, charitable donations, volunteering, work experience and employment advice. When we consider the direct economic impact through local spend and labour, this project is providing a significant contribution to the local community.



Claremont targeting and delivering social value

Achieving practical completion this year, our Claremont Project demonstrates what our targeted social value strategy and supporting tools can deliver. Through a clear strategy, expert support and a defined programme of deliverables, the project team were able to deliver numerous meaningful benefits to the local Newcastle community. Overall, throughout the duration of the project, the Social Return on Investment (SROI) was £1.03m, which comprised the following social value deliverables:

When combined with the £94.4m of direct economic impact through supply chain spend, this project highlights the tangible socio-economic benefits we can provide for our local communities.



28	Jobs Created
177	Students supported through educational activities
15	People engaged through community activities
30	People supported through employment and skills engagement
17	Participants in mental health activities & champions

6	Apprenticeships
1	Work Placement
£4,897	Charitable Work / Donations
2,375	Toolbox Talks participants
24	Volunteering Hours



bounce back.

Boosting skills and employability

The Bounce Back Foundation provide holistic, bespoke, individual support for ex-offenders, equipping them with the skills, qualifications and experience to enter meaningful, sustainable employment.

Our funding enabled Bounce Back to provide five people with support and accredited training in a variety of construction skills closely linked to local labour market shortages. The money we gave also allowed them to provide wrap around support in areas such as administration.

“I wouldn’t have stayed out of prison and be where I am today without their help. The best thing about Bounce Back is how quickly I got into work. You’ve helped me steer myself into a better place and helped me feel part of society again.”

Bounce Back Participant

Energy and Carbon Reporting (SECR) 2020-21

The table below represents our energy use and associated emissions from electricity and fuel in the UK for the 2020/21 reporting year. The scope of this data includes all of our construction sites and both permanent and temporary offices.

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 2020 and 2021 as well as market-based emissions factors, where available.

UK and offshore				
Item	2019/20 Restated		2020/21	
	kWh	tCO ₂ e	kWh	tCO ₂ e
01 Emissions from combustion of gas (Scope 1)	7,607,227	1,399	4,189,668	768
02 Emissions from combustion of fuel (Scope 1)	9,725,544	2,435	11,475,428	2,881
03 Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 – location-based)	15,977,742	1,195	15,720,749	1,695
04 Emissions from business travel (Scope 3)	4,319,434	1,088	4,589,504	1,138
Total gross tCO₂e based on above		6,117		6,482
05 Energy consumption used to calculate emissions	37,629,947	-	35,975,349	
06 Tonnes of CO₂e per £m revenue		7.46		6.92

In 2021, we committed to developing a GHG reduction programme in line with the Science Based Target initiative (SBTi). In pursuit of this commitment, we have undertaken a full carbon-accounting process review, which has resulted in the refinement of our procedures and processes.

For transparency, we have re-run the carbon footprint calculations for both our historic and current performance. As a result, our 2019/20 figures above have been revised from those previously published. We continue to develop our expertise and processes to better understand and reduce our impacts, pursuing opportunities to improve our reporting of carbon emissions across our business.

This year saw an absolute increase in tCO₂e reported from our baseline. Predictably, analysis of the data attributes this increase partly to a return to pre-pandemic levels of activity across our sites and offices. However, the most significant contributor is the way in which carbon emissions from our electricity use are calculated and reported.

To calculate these emissions, we've moved from using standard government conversion factors to market-based ones. Encouragingly our energy consumption has decreased this year. However, our transition to zero-carbon energy for all our activities continues, and the change to market-based emissions has highlighted the emissions impact of the few electricity supplies we use which are not zero carbon.

We continue our transition to a single zero carbon electricity supplier. Encouragingly, by way of illustration, had this transition been complete, we would have delivered a 3% reduction in overall carbon emissions this year.

Whilst our absolute carbon emissions have increased, due to the factors described above, both our absolute energy consumption and carbon intensity (tCO₂e per £m revenue) have decreased in the last year. A signal that our carbon reduction programmes, and energy efficiency actions are delivering improvements.

Energy-efficiency actions taken

During 2020-21 we have taken a number of steps to improve energy efficiency. These include:

- Improved reporting to enable us to better understand our emissions.
- Appointing carbon champions on our projects to help drive energy efficiency.
- Continued rollout of 100% renewable energy tariff across operations.
- Signing up to Science Based Target initiative (SBTi) – to provide direction and clarity for our carbon reduction programmes.
- Running trials in partnership with power generation experts, Aggreko, on energy efficiency of site generators.
- Sustainability training for work employees and supervisors detailing actions they can take to reduce consumption and emissions.
- Establishing a supply agreement for Hydrotreated Vegetable Oil fuel to replace diesel on all sites, which will reduce emissions and improve efficiency of plant.
- Appointing a Company Carbon Manager to oversee efficiency measures, upskilling and carbon-reduction programmes.

Climate-related risk and our responses

Climate change continues to pose a significant risk to our business over the short, medium and long term. For example, the impact of extreme weather events and supply chain shortages on our operations, as well as increased regulation and oversight, will significantly affect our business if not addressed.

With the built environment contributing 40% of global carbon emissions, our industry has a significant role to play in addressing the climate crisis. Our focus is around two overarching objectives:

- 1) Measuring and reducing our carbon footprint in line with our aspiration to reduce our carbon emissions, and become Net Zero Carbon (NZC).
- 2) Evolving our design, procurement and construction practices to deliver lower carbon solutions for our clients and reduce the built environment's carbon emissions.

To reduce our exposure to risk we need to embed meaningful, lasting change within our organisation. We developed a set of carbon principles to guide us through the development and delivery of our carbon reduction programmes. These principles are:



Don't Delay

Don't let the magnitude of the task delay action.



Collaborate

We'll collaborate with the whole of Sir Robert M'Alpine and the wider industry.



Be Brave

We'll have to do things differently and embrace change.



Reduce

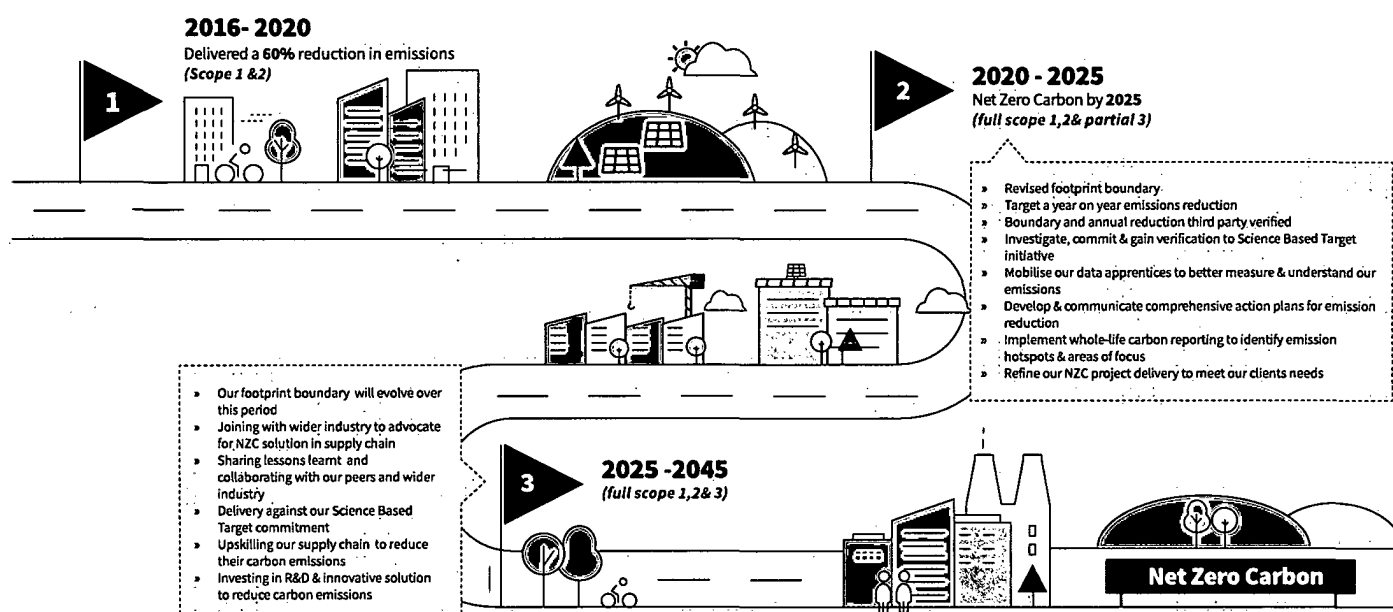
We need to reduce our emissions and not settle for offsetting alone.



Transparency

Our approach will be open, honest and transparent.

Emission reduction and accelerating the decarbonisation of our activities are key drivers of our company Sustainability Strategy. Our journey to reducing carbon emissions began in 2016 and now we see ourselves in “Phase 2” of our Pathway to NZC:



We have conducted full Scope 1, 2 & 3 emissions benchmarking in line with our commitment to developing a 1.5°C warming scenario carbon reduction programme certified by the SBTi. This, coupled with our revised GHG Protocol Corporate Standard compliant carbon accounting will ensure that our strategy, tools and reporting are future proofed, thus reducing our exposure to climate risk.

With risk comes opportunity, and we're growing our skills and expertise in delivering low carbon solutions through design, procurement and construction.

Key to the expansion of our capabilities has been the trial and implementation of a Whole Life Carbon (WLC) tool for our business which will enable us to accurately measure carbon emissions and assess associated risks in the delivery of our operations. The aggregated information and performance data also enables us to accurately forecast, manage and reduce WLC emissions, giving us confidence that we can deliver reduced emissions and meet any requirements placed upon us.

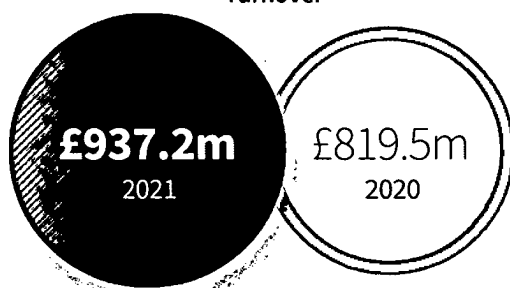
We have also appointed a Company Carbon Manager to work within our sustainability team to lead the assessment, management and reduction of our carbon emissions, and our transition to a NZC business model. This transition will build resilience against future legislative changes and tax reforms implemented by the Government in support of their commitment for the United Kingdom to be NZC by 2050.

Aligned to our carbon principles, we will continue to be a strong advocate for the industry and wider business to address climate change as a collective, sharing best practice and communicating lessons learnt in an open and transparent way.

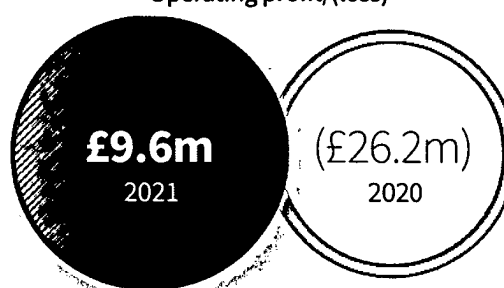
Chief Financial Officer's review

Year ended 31 October 2021

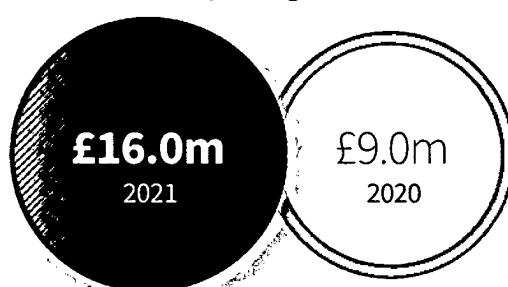
Turnover



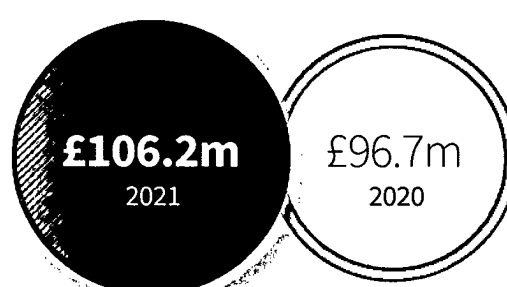
Operating profit/(loss)



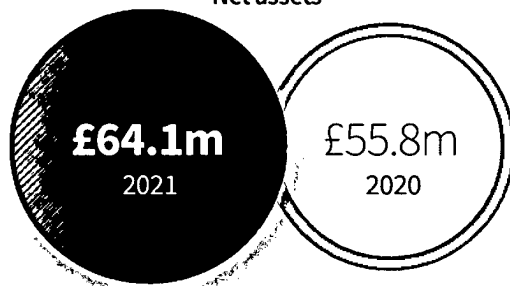
Net cash flow
from operating activities



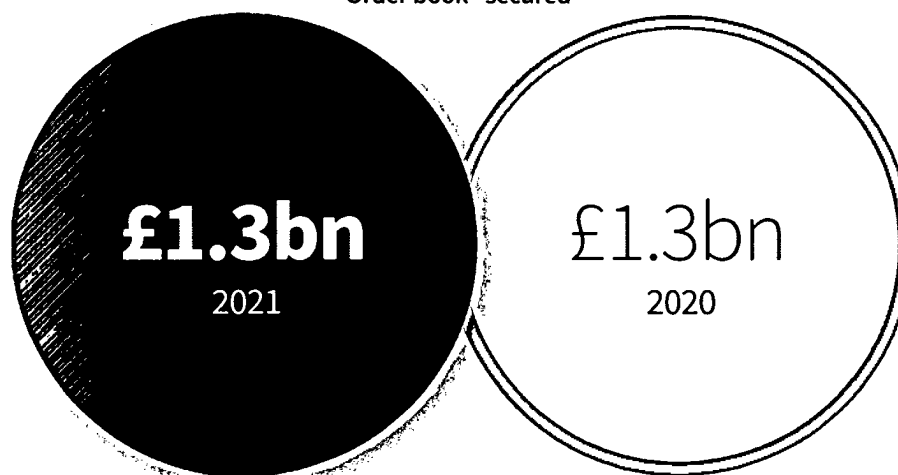
Cash and cash equivalents



Net assets



Order book - secured



Financial summary

Year ended 31 October	2021 £m	2020 £m	2019 £m
Turnover	937.2	819.5	1,009.2
Operating profit/(loss)	9.6	(26.2)	15.1
Net cash flow from operating activities	16.0	9.0	34.0
Cash and cash equivalents	106.2	96.7	94.0
Net assets	64.1	55.8	79.3
Order book / secured	1,274.5	1,337.8	1,101.1
Preferred bidder / nearly-secured	969.9	961.1	606.6

Following the onset of the global pandemic in 2020 and the necessary decisions taken by the business in order to navigate our way through this challenging period, 2021 was very much a year of robust recovery. Activity levels and new enquiries across our sectors have increased and pleasingly we have returned to profit. This has been tempered in the new financial year by increased inflationary pressures, supply chain challenges and geo-political factors affecting almost all industries and global economies.

Key financial highlights

- Strong new business enquiries throughout the 2021 financial year with an additional £873.9m of work secured, including Shepperton Studios in Bristol, a new mixed-use development at Hockley Mills in Birmingham, and Gradel Quadrangles at the University of Oxford, resulting in an order book of £1,274.5m as our financial year ended.
- Since the year end we have secured an additional £615.1m of orders, including 1 Broadgate in the City of London, Station Hill - an office development in Reading, and The Westbury Hotel in Mayfair. The business continues to be focussed on client relationships, risk management and profitability, and therefore remains highly selective in the opportunities it pursues.
- Robust recovery in both Turnover and Operating profit in 2021 as we returned to profit.
- Continued strong liquidity, with no debt other than modest finance leases, and minimal FX exposure. This is supported by good financial and treasury systems with careful working capital management, enabling further Prompt Payment Code improvements to help support our supply chain as they manage their own liquidity through this recovery period.
- Excellent visibility over the Company's pension-deficit funding requirement for the next 12 years, following finalisation of the 2018 triennial actuarial valuation and agreement of the annual contribution schedule with the pension fund trustees. There remains potential for further upside from additional increases in gilt yields and investment returns, with a consequent further reduction in the deficit (2018 valuation £88.8m compared to the 2015 valuation of £164.2m).
- £9.0m reduction in provisions in the year, comprising £3.9m utilised on costs arising from the strategic review of the business and the resultant need to improve business efficiency after the pandemic and a £5.1m net reduction in respect of amounts required for remedial work on legacy contracts.
- Further intangible asset creation as the business continues to invest in both operational and systems improvement programmes. Both are critical to the ongoing strategy of modernisation, resilience and creating a leading, technology-enabled workplace to attract the industry's best people.

Turnover

As a result of the global response and recovery from the pandemic, statutory revenues recovered in 2021 from £819.5m to £937.2m. Statutory revenue for the year excludes £537.5m (2020: £441.0m) in respect of Managed Turnover. Managed Turnover relates to the underlying value of completed work on projects in which the Company provides Construction Management activity. The Company receives fees from clients for managing these projects on behalf of those clients.

Operating profit/(loss)

The business returned to profitability in the year with a result of £9.6m driven by the recovery in revenue as the effects of the pandemic subside, productivity increasing and a reduction in the level of net provisioning charges arising from the strategic review of the business and from remedial work on completed contracts. The programmes on the majority of our projects were extended as a result of Covid-19. This has increased the associated completion costs and, as a result, our contract margins will be lower until these projects are completed due to our revenue recognition policy, which spreads the margin impact over the project life. These cost increases have been predominantly associated with extended project preliminaries and support provided to our supply chain partners. Pleasingly, in the majority of cases we have received “time-relief” from our clients and therefore mitigated any liquidated and ascertained damages.

Other operating income

The £7.6m reduction in 2021 was largely due to the £7.3m of Government grant income in 2020 compared to only £0.1m in 2021, together with a £0.5m decrease in Research and Development Expenditure Credits in 2021.

Taxation

The effective tax rate in 2021 of 10.0% (2020: 12.7%) is significantly less than the current standard UK Corporation tax rate of 19.0%, including a reduction of 14.8% due to the remeasurement of deferred tax assets which are expected to be recoverable at the higher rate of 25% with effect from 1 April 2023. A detailed reconciliation of the 2021 tax charge (2020: tax credit) is included in Note 12 to the financial statements.

Net cash flow from operating activities

Net cash flow in the year is £16.0m compared to £9.0m in 2020. The £6.4m increase in cash flow compared to statutory operating profit of £9.6m for the year comprises a £12.2m reduction in non-cash working capital and £4.2m in respect of depreciation and disposals of tangible fixed assets, offset by a £9.0m reduction in provisions and £1.0m of tax paid.

In the prior year, we benefited from the Government's CJRS grants in respect of furloughed employees, and 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 settled in full by the end of January 2021, and payment of the final VAT instalment was made on schedule in January 2022.

Whilst ensuring that all cash opportunities were maximised, the business's cashflow to its supply chain continued uninterrupted, thereby protecting the liquidity of the business's subcontractors who are critical to the delivery of our projects. The Company is signed up to the Prompt Payment Code, and in 2020-21 the average time to pay invoices was reduced by a further 3 days, from 30 to 27 days. Invoices paid within 60 days increased from 93% to 96%, and invoices due and paid within agreed credit terms increased by a further 4%, from 82% to 86%. We do not make use of any supplier finance arrangements.

Cash and cash equivalents

The Company had cash balances of £106.2m (2020: £96.7m) at the year end, and no debt with the exception of a nominal level of finance leases. We remain well-placed to exploit opportunities within our chosen sectors, serving key clients whilst supporting our workforce and our supply chain. With our strong order book we will continue to prioritise profitability over revenue growth.

Net assets

The profit after tax of £8.3m, together with the £0.1m after-tax gain on remeasurement of the medical scheme liability, increased net assets at 31 October 2021 to £64.2m (2020: £55.8m). The key components of the £8.4m increase were an increase of £9.5m in cash and a £9.0m reduction in provisions, offset by a £6.8m increase in creditors and a £3.3m reduction in unlisted investments.

Outlook

At the close of the financial year, in addition to the order book of £1,274.5m there was a further £969.9m of work where the business was preferred bidder, defined as either working under a pre-construction services contract or in exclusive negotiations. This is the equivalent of having at least 24 months of work to deliver. The strong year-end position has been carried into the new financial year, and at the end of February 2022 we have over £1,003.4m of work already secured for 2021-22. In addition, we have a further £946.1m of work which is either already secured or nearly secured for 2022-23. This level of turnover visibility provides a strong underpin for the business in the medium term, enabling us to be more selective in our work-winning activities in these current uncertain geo-political and macro-economic times.

Going concern

The ongoing pandemic and recovery from it throughout the year has been the main challenge facing both the business and the wider UK economy. Through a combination of short-term site closures at the outset in March 2020, followed by government-assisted furloughing of employees through to early 2021, the Company's activities have been carefully managed, including a strategic review of the business that was provided for last year and completed early in the 2021 financial year.

Working capital and cash flow during the year have continued to be closely monitored and controlled, including the repayment of HMRC-approved deferral of PAYE and VAT liabilities taken at the outset of the pandemic in 2020.

At 31 October 2021 the Company held cash balances of £106.2m, compared to £96.7m in the previous year, and remains debt free. Significant additional and robust controls continue to be used to manage cash company-wide, including as expected granular levels of cash forecasting across the business, aligned to profit and loss forecasts with appropriate stress-testing for the impact of risks and opportunities at Contract and Business Unit level.

We remain ever-mindful of the importance of our supply chain, who are critical to the delivery of our projects, and despite the tight controls over cash and working capital management during the year we were still able to reduce further our supplier-payment times, as evidenced in our Prompt Payment Code statistics.

Other than the continual refinement of our cashflow forecasting no material changes have been adopted in the methodology for our going concern assessment compared to 2020. There have been two notable changes to the cash flows of the business in the year, being the impact of the Construction Industry Reverse Charge VAT Scheme that began mid-year, and the quantum of pension deficit repair contributions following the finalisation of the 2018 triennial valuation during the year.

With an excellent order book, and strong levels of secured revenues for 2022 alongside robust cashflow forecasting procedures, and the Company's resilient funding position, the Board are confident in their ability to prepare these financial statements on a Going Concern basis.



A handwritten signature in dark ink, appearing to read 'J. More', with a long horizontal flourish extending to the right.

Leighton More FCA
Chief Financial Officer
 27 May 2022

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 & 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:



Inflation of costs on labour and materials across the construction sector

Principal risk

Brexit, and the tail-off of Covid-19, have combined to significantly impact both the availability and distribution of materials, and the supply of appropriately-qualified labour resource. These factors have led to shortages and consequent inflationary pressure on costs. The Board continues to monitor the effects of the recent Russian invasion of Ukraine, which has given rise to further constraints on the availability of materials and additional inflationary pressure on costs of energy and materials.

Potential business impact

Availability issues and rising costs can jeopardise the Company's ability to win new business, and put at risk its ability to deliver on its contracts within agreed timescales whilst still generating a satisfactory return on those contracts.

Mitigation

The Company monitors closely the supply chain issues faced within the sector. Measures instigated include seeking contractual protection, early involvement of clients and supply chain and the close tracking of key raw material and component pricing.



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 business, which is excessive and difficult to fund and manage.

Mitigation

Increased focus on management of technical competencies of employees in key roles, and revision of project-level technical management processes.



The upcoming Building Safety Bill ("BSB")

Principal risk

Failure to ensure that the appropriate records are available to demonstrate compliance with the BSB, and to prove the competence of Sir Robert M²Alpine employees.

Potential business impact

Inability to achieve starts on contract sites and handovers on completion.

Mitigation

Sir Robert M²Alpine is playing a leading role in the development of the industry's response to the BSB. It is therefore well placed in respect of having clarity on the upcoming legislative requirements and is better equipped from a management systems perspective to implement these requirements. Work is underway to strengthen our technical competence and traceability of products and systems that we procure.



New or increased risk during 2021-22



Risk level unchanged from prior year



Systems and data protection

Principal risk

Major IT systems failure.

Potential business impact

Users unable to undertake work because of one or a series of systems outages. The implications of this can be both contractual and compliance-related.

Mitigation

The risks are well understood, and the recent progress on a long-term ICT infrastructure program is significantly reducing the risks to vulnerability of the business. Plans for the development and implementation of a replacement business-wide Enterprise Change Programme system are well underway.



Systems and data protection

Principal risk

Cyber attack.

Potential business impact

Loss of key systems or data could have a material impact on the operations of the company: significant cost, downtime and a severe impact on our ability to deliver on our contracts.

Mitigation

Investment continues into this area of the business. A cyber security policy continues to be updated, and cyber training modules have been developed and rolled out to raise awareness and to minimise potential risks. Software is in place to warn users of potential issues and threats, and to track and trace as needed. Recertification of cyber essentials has been obtained during the year.



Health & safety

Principal risk

Major work-related incident.

Potential business impact

Failure to prevent a major accident, resulting in prosecution, fines, loss of reputation and consequential impact on future work-winning.

Mitigation

We are implementing a new Health, Safety and Wellbeing ("HS&W") strategy across the business. In particular, we have adopted a new way of measuring HS&W performance and carrying out route-cause analysis of high potential events. New minimum HS&W standards have also been agreed and put in place across our projects.



Health & safety

Principal risk

Mental health issues, exacerbated by the impact of Covid-19.

Potential business impact

Risk to the workforce and ultimately to the successful outcome of projects.

Mitigation

Toolbox talks – presentations to the workforce on individual aspects of health and safety - are available in written and video format. A Wellbeing Hub is available on the Sir Robert M^cAlpine intranet, providing advice and also contact details for further assistance. Mental Health First Aiders have been appointed and trained, as a first point of call, and 24-hour confidential access to trained counsellors is available, 7 days a week. See "Mental Wellbeing" on page 23.



Management of the Sir Robert M'Alpine brand and reputation

Principal risk

Any adverse events negatively affecting the reputation and brand value of the Company would put the business at risk.

Potential business impact

Loss of work-winning and less employee attraction and retention.

Mitigation

A Crisis Management Plan has been developed, a brand strategy is in place, and legacy issues are being actively monitored. Ongoing work by the Brand, Marketing and Communications team to promote and protect the Sir Robert M'Alpine brand.



Attraction, retention and development of high-quality employees with the necessary talent, capability and experience

Principal risk

Loss of key talent.

Potential business impact

Lack of available skilled resources in the employment market and supply chain for the Company to meet client demand.

Mitigation

Our people strategy continues to evolve, to ensure that we are able to attract and retain the required resource. A specific example this year includes the introduction of gender-neutral CVs as part of our recruitment process to support diversity and inclusion. Remuneration across the business has also been benchmarked externally to ensure our competitiveness.



Competitive environment

Principal risk

Lack of awareness of client needs and competitor offerings.

Potential business impact

Loss of competitive position, resulting in reduced work-winning.

Mitigation

Account management and client feedback processes are in place. Competitor analysis and market trends reviewed in order to inform work winning and strategic decision making.



Defined Benefit pension scheme

Principal risk

The Company participates in a Defined Benefit pension scheme, maintained by the ultimate parent company, and the scheme is in deficit.

Potential business impact

Failure to manage the scheme, such that the Pension Regulator imposes a cash-prohibitive recovery regime on the Company.

Mitigation

A long-term funding strategy has been agreed with scheme Trustees to mitigate the deficit over the next 12 years. Independent expert advice is obtained as part of the Company's ongoing deficit-management strategy, and in the monitoring of investment performance.

Section 172 Companies Act 2006

This report details how the Directors of the Company comply with the requirements of Section 172 Companies Act 2006 and have taken them into consideration as part of their decision-making process during the year to 31 October 2021.

The role of the Board

The Board's overall responsibility is to sustain the long-term success of the Company, whilst considering the interests of the Company's stakeholders. In order to achieve this, the Board recognises the need to maintain a good relationship with those stakeholders who are instrumental to 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 strategic reviews of the business, 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 page 76.

Board governance

The Directors have opted to apply "The Wates Corporate Governance Principles for Large Private Companies" for the year ended 31 October 2021. 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 72-74.

Activities of the Board in the year ended 31 October 2021

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.

Engagement with our people

The Board believes that an engaged workforce, in which everyone understands the key role they play in delivering our business strategy, is essential. Through transparent and proactive communications, the Board aims to ensure that our people have full clarity on our business performance and the value each person's contribution adds.

Aligning with our strategic objective to become the best place to work, the Board has also continued to promote a truly inclusive culture where everyone feels welcome and can reach their full potential.

Actions taken and channels used include:

- "Together in 21" Annual Team Conference in January.
- Monthly all-company Pulse surveys.
- Regular all-company communications.
- Internal social media platform.
- Weekly "In case you missed it" all-company update.
- "Call & Connect" virtual sessions.
- Quarterly "SRM Life" newsletter.
- Posters and digital screens to reach out to our operatives on sites.
- Affinity networks (see page 22).
- Employee Network (see page 23).
- Toolbox talks on site.
- Focus groups on flexible working, in collaboration with consultancy Timewise.
- Low-Emission Vehicle Leasing scheme for employees.

Output and impact

- Simplifying our strategy and bringing it to life with the "Constructing our Future" campaign has enabled us to gain buy-in from our people.
- Monthly Pulse surveys anonymously capture the sentiment of team members on a range of strategic topics, and allow the Board to take any necessary measures in a timely manner.
- Engaged workforce with more than 1,200 team members on average joining the Annual Conference and subsequent Quarterly Team Briefings.
- Shared best practice and innovative ideas during "Call & Connect" virtual sessions.
- Worked in collaboration with consultancy Timewise on pilot sites to establish how flexible working policies can be rolled out for everyone across the business.
- Our eNPS (employee Net Promoter Score), which measures employees' satisfaction levels, was 22.5 for the year, above the industry average of 18.

Engagement with clients and supply chain partners

As a 153-year old family-owned business with strong values, we aim to treat our clients and our supply chain partners like an extended part of our family. It is part of our business strategy to maintain sustainable and trustworthy relationships with them.

The ways in which we have engaged with our clients and supply chain partners include:

- Sustainability newsletter.
- Supply chain newsletter.
- Inclusion report.
- Client satisfaction surveys.
- Events such as topping out and ground-breaking ceremonies.
- Signed up to the Government's Prompt Payment Code and committed to paying our invoices within 30 days.
- Technical webinars.
- Face to face meetings.
- Site visits.
- Audits of subcontractors in the fight to tackle Modern Slavery.
- Toolbox talks on site.

Output and impact

- Our client Net Promoter Score was 50.
- Developing skills and competences of supply chain partners.
- 24 labour practice audits.
- Raising awareness amongst our subcontractors of measures to tackle Modern Slavery.
- Average time to pay suppliers reduced from 30 to 27 days.
- Clients and supply chain partners are aligned with our inclusive, family values.

Engagement with communities

Positive impact on both the environment and the local communities in which we operate.

The Board recognises that the climate emergency poses a threat to us all, and that we have a duty to decarbonise our operations in a way that is scientifically validated.

Furthermore, the Board has backed a number of initiatives to support communities where the pandemic has exacerbated the need for support, with grassroots projects and local charities, including:

- Allocating funds to support Maggie's Centres, the Construction Youth Trust, Paralympics GB and the Strong Foundation Grants.
- Committed to raising £1 million over ten years for Maggie's Centres.
- Backing up the ActionFunder platform by social enterprise organisation Semble to allocate our Strong Foundations Grants.
- Social-value calculator.
- Signed the Science-Based Targets initiative in line with a 1.5°C future.

Output and impact

- We donated over £100,000 to 40 community projects across eight UK locations.
- Positive feedback from Strong Foundations Grants recipients detailing how the grants have benefitted the lives of approximately 39,000 people around the country.
- Measurable social value outputs on each project.
- Defining targets to monitor our journey to Net Zero Carbon.
- Achievement of £1 million committed target for funds raised to support Maggie's Centres (see page 24).

Engagement with Government and industry

The Board takes an active role in supporting cross-industry collaboration, and contributing to Government's consultation for the benefit of our employees, our clients, our supply chain partners, as well as the wider society and economy. We:

- Play an active role in leading industry organisations such as Build UK and CLC.
- Submitted a response to the Government's consultation on flexible working.
- Hosted a roundtable on flexible working with representatives from Parliament and industry, including Minister for Employment, Mims Davies, and flexible-working campaigner, Anna Whitehouse.
- Submitted a response to the Government's National Digital Strategy consultation.
- Submitted a response to the Law Commission's consultation on the law reform to include flexible working.
- Submitted a response to the Equity in STEM Workforce Consultation by the All Party Parliamentary Group on Diversity and Inclusion in STEM.
- Founder member of the Construction Data Trust and Project Data Analytics Task Force.

Output and impact

- Proactive collaboration with the industry throughout the pandemic.
- Published research on the economic benefits of flexible working to the UK economy.
- Visible campaign to make flexible working available from Day 1 across industry and beyond.
- Proactive collaboration to advance Project Data Analytics in construction.

Corporate governance

Set out below is an explanation of how the Board has applied the Wates Corporate Governance Principles for Large Private Companies, over the financial year ended 31 October 2021.

Principle a. Purpose and leadership

In January 2021, as we entered the second half of our business strategy to 2024, which supports our vision to proudly build Britain's future heritage, the Board introduced "Constructing our Future" as a means to engage with our people on the delivery of our objectives and bringing the strategy to life.

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.

This has created a brand, grounding the strategy into the activities of our people, helping them to relate to the delivery of our strategic objectives:

- Stronger and more resilient.
- Use of technology and data to inspire and improve.
- Trusted client, consultant and supply chain relationships.
- Industry experts in our chosen sectors.
- Profitable growth through Build Sure.
- Be the best place to work.

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.

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.

As part of our commitment to net-zero carbon emissions, resource efficiency, ethical procurement and creating social value, which form the basis of our sustainability strategy, we have joined the Science Based Targets initiative, pledging to reduce our carbon emissions in line with a 1.5°C warming scenario.

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. A key component of this 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 our ambition to be the best place to work, the Board has championed inclusion. We have backed Flex Appeal, by flexible-working campaigner Anna Whitehouse, campaigning to make flexible working available from day one, in support of better mental health and greater diversity in construction. We supported research, conducted during the pandemic, aimed at sharing best practice to make flexible working sustainable in the long term. We also supported a report into the benefits of flexible working to the UK economy.

Proudly building Britain's future heritage goes beyond the projects we deliver to the legacy we leave in society. This is all the more relevant in the wake of the devastating impact that the pandemic has had on people and communities. Recognising the role we have a duty to play in the recovery, the Board has backed charitable donations aimed at charities and grassroots organisations around the country.

Principle b. Board composition

The Sir Robert M'Alpine Board is composed of:

Edward M'Alpine,
Chair & Executive Partner

Hector M'Alpine,
Executive Partner

Paul Hamer,
Chief Executive Officer

Leighton More,
Chief Financial Officer

Karen Brookes,
Executive Director of People & Infrastructure

Alison Cox,
Managing Director London
(formerly Executive Director of Engineering
& Technical Services)

Chief Executive Officer Paul Hamer leads the Executive Leadership Team (ELT), which is the Company's main decision-making body and is accountable to the Sir Robert M'Alpine Board for the overall performance of the business.

The Executive Leadership Team is composed of:

Paul Hamer,
Chief Executive Officer

Leighton More,
Chief Financial Officer

Karen Brookes,
Executive Director of People & Infrastructure

Alison Cox,
Managing Director London

Lynda Thwaite,
Group Director Brand, Marketing & Communications

Steve Hudson,
Group Commercial Director

Ian Cheung,
Managing Director Southern

Tony Gates,
Managing Director Civil Engineering

Mark Gibson,
Managing Director Northern

Andrew Hunter,
Director of Engineering

The Board has made a commitment to lead by example on inclusion and to inspire industry-wide change. There are currently three female Directors on the Executive Leadership Team, two of whom are also on the Sir Robert M'Alpine Board: Executive Director of People & Infrastructure, Karen Brookes; Group Director Brand, Marketing & Communications, Lynda Thwaite; and Managing Director London, Alison Cox.

Sir Robert M'Alpine 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.

Principle c. Director responsibilities

The Sir Robert M^cAlpine Board meets monthly and has delegated the day-to-day operation of the business to the Executive Leadership Team.

The Executive Leadership Team meets monthly 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.

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.

Principle d. 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 (see page 76) reviews the Company's risk register on a quarterly basis, monitoring the relevance of and progress on all existing risks and ensuring that emerging risks are captured and appropriate mitigation plans put in place.

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

Principle e. Remuneration

The Remuneration committee is responsible for setting remuneration and incentivisation strategy and policies across the business, and for determining the appropriate level of remuneration for the Directors and senior management. The objective of this committee is to ensure that salaries are fair and aligned with the industry, so as to retain and attract the best talent and build the best workforce. The committee has a delegated authority from the Sir Robert M^cAlpine 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 f. 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, its clients, its supply chain, industry bodies, local authorities, MPs and community groups.

Throughout its 153-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.

Engagement with stakeholders is detailed in Section 172 Companies Act 2006 on page 69.

Directors and advisors

Board of 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 77.

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

Director	Meetings held	Meetings attended
Edward McAlpine (Chair)	12	12
Hector McAlpine	12	12
Paul Hamer	12	12
Leighton More	12	12
Karen Brookes	12	12
Alison Cox	12	12

Company Secretary

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

Independent auditor

Mazars 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

This committee is responsible for consideration and assessment of significant potential new contracts and new business opportunities. 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.

As explained in the 2020 Annual Report, with effect from January 2021, the Board 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, which replaced the former Risk committee, is additionally responsible for audit assurance (internal audit – see "Audit committee" below – 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, this new committee is responsible for identifying entity-level risks and opportunities and agreeing entity-level controls.

The committee, which now comprises the Chief Financial Officer, the Head of Legal, the Director of each of People & Infrastructure, Brand, Marketing & Communications, and the Group Commercial Director, reports quarterly to both the Sir Robert McAlpine Board and the Shareholder 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 Sir Robert McAlpine Board.

The Company's Risk Register (see Principal risks and uncertainties on pages 66-68 in the Strategic report) is updated quarterly by the committee to reflect newly-recognised risks, whilst also reporting on developments in relation to previously-identified risks. Such reviews include the development and monitoring of mitigating strategies and action plans to counter the identified risks. At each meeting, the committee is presented with a detailed analysis of the latest content of the Risk Register, including, for each risk, its perceived likelihood, the potential significance of its impact on the Company, and an Action Priority Index ("API") value based on each risk's likelihood, its potential impact, and the Company's perceived vulnerability to the risk. A "heat chart" is also presented to the committee, comparing the current and the previous quarter's API for those risks with the highest such value, together with an explanation of key risk changes from the previous to the current quarter's report.

Risk and investment committee

This committee is responsible for consideration and assessment of significant potential new contracts and new business opportunities. The committee's assessments cover multiple perspectives, including technical, reputational, commercial, and overall alignment with business strategy, as well as with the Board's risk appetite.

Audit committee

Sir Robert McAlpine Limited ("The Company") does not have a separate Audit committee. The Company's ultimate holding company, Newarthill Limited, has an Audit committee comprising two members, and this committee's responsibilities cover both Newarthill Limited and each of its subsidiary companies, including Sir Robert McAlpine Ltd, the main such subsidiary company. In addition to their 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.

Internal auditing arrangements within Sir Robert McAlpine are set out through the Assurance function steered by and reporting to the Risk and Assurance committee (see above). The Assurance function is responsible for maintenance of the Sir Robert McAlpine Ltd "Company Management System", defining and documenting centralised policies, procedures and responsibilities, whilst having oversight of internal audit checks carried out at Business Unit level. Checks carried out by internal auditing resource within Business Units cover operational procedures and compliance with relevant standards for Health, Safety & Wellbeing, Quality, Sustainability, Information Security and Ethical Procurement. The central Assurance function maintains oversight of these checks.

Remuneration committee

Responsible for setting the appropriate level of remuneration for the Directors and senior management, so as to ensure the Company's competitiveness in the marketplace in order to retain and motivate key employees. The committee consists of the Chair of the Sir Robert McAlpine Board, a representative from Newarthill Ltd and the Director of People & Infrastructure.

Directors' report

The Directors present their report for the year ended 31 October 2021.

This report should be read in conjunction with the Strategic report on pages 52-71.

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 M'Alpine

Hector G M'Alpine

Paul C Hamer

J Leighton More BA, FCA

Karen J Brookes

Alison L Cox C.Eng, FICE

Principal activities

The Company's principal activities comprise construction design and delivery, civil engineering and infrastructure works, together with project management on behalf of clients.

Results and dividends

The profit for the year before taxation amounted to £9,176,000 (2020: loss of £26,793,000). No interim dividends were paid during the year (2020: £nil). The Directors do not recommend the payment of a final dividend (2020: £nil).

Corporate governance

As described in the Strategic report on page 69, the Board of Sir Robert M'Alpine has once again 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. See pages 72 - 74 of the Corporate governance report.

Strategic report

The Company is required by section 414A of the Companies Act 2006 to present a Strategic report in the Annual report. The Strategic report for 2020-21 is set out on pages 52 - 71, and contains, where appropriate, an indication of the Directors' view on likely future developments in the Company's business.

Financial risk management

The Company has no borrowings other than fixed-rate finance leases, no debt facilities that are repayable on demand, and no debt covenants or restrictions. In addition, the Company has no material foreign exchange transactions or balances. The Company therefore has no significant interest rate or exchange rate risk.

In the normal course of its business, the Company is exposed primarily to liquidity risk and credit risk, which are managed within policies and operating parameters approved by the Board of Directors. Derivative financial instruments are not used.

Stakeholder engagement

The Company's stakeholders include not just its shareholders but also its employees, its clients, its suppliers, its pension scheme members 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, clients 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 to perpetuate its leadership.

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 67.

Research and development

The Company has a continuous program 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. In addition, the Company invests in both operational and systems improvement programmes for use across the business. Further details regarding Research and development can be found on page 63, in "Key financial highlights", within the Chief Financial Officer's review section of the Strategic Report.

Energy and carbon reporting

The Company's Energy and Carbon Reporting statement (SECR) can be found in the Strategic report, on page 59.

Share capital

Details of the Company's share capital are set out in note 24 to the financial statements.

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, no debt covenants or restrictions and therefore, with no material foreign exchange transactions or balances, has no significant interest rate or exchange rate risk.

The Company has considerable financial resources. The Directors have prepared cashflow forecasts to 31 October 2023, showing a base case with a downside scenario modelled against this. The base case shows the cashflow generated from secured and nearly-secured contracts 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 sufficient cash headroom can be maintained throughout this period.

Brexit was considered by the Directors, but after more than a year since its inception there are no further concerns regarding its impact on the construction business or the wider economy. Climate change, and the steps that the Company is taking to address this issue, are dealt with separately above, within Climate-related risk and our responses, but the matter is not considered likely to have any impact on our clients or supply chain such as to cast doubt on the financial forecasts referred to above. The recent invasion of Ukraine by Russian military forces, which has increased short-term energy prices throughout the UK and Europe and may add further to the current inflationary cycle, has caused significant uncertainty in financial markets worldwide but is not considered to be a significant threat to the Company or our cash flow, with all of our business both generated and conducted in the UK.

Taking all of the above matters into consideration, 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 & accounts.

Donations

During the year the Company made no political donations (2020: £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 themselves 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.

Resignation and appointment of independent auditor

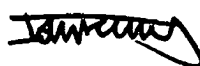
On 20 August 2021 Deloitte LLP resigned as the Company's independent auditor, and Mazars was appointed as the Company's Independent auditor in accordance with section 487 of the Companies Act 2006.

Post balance sheet events

On 24 February 2022, an invasion of Ukraine by Russian military forces commenced, which has to date given rise to increased energy and commodity prices throughout the UK and Europe and significant uncertainty in financial markets worldwide. The Company has assessed, and will continue to assess the implications of the events in Ukraine, but currently there is considered to be no material impact on the business's financial performance or position.

Other than the above, there have been no significant events since the balance sheet date that would require adjustment of, or disclosure in these financial statements.

Approved by the Board on 27 May 2022 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 Strategic report and the Directors' 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 M'Alpine Limited

Opinion

We have audited the financial statements of Sir Robert M'Alpine Limited (the 'Company') for the year ended 31 October 2021 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 Notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 31 October 2021 and of its profit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our audit procedures to evaluate the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the Directors' going concern assessment;
- Evaluating the Directors' method to assess the Company's ability to continue as a going concern;
- Reviewing the Directors' going concern assessment, which incorporated severe but plausible scenarios;
- Evaluating the key assumptions used and judgements applied by the Directors in forming their conclusions on going concern; and
- Reviewing the appropriateness of the Directors' disclosures in the financial statements.

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or

- We have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities set out on page 79, 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-bribery regulation, anti-money laundering regulation, general data protection regulation, building regulations and non-compliance with implementation of government support schemes relating to Covid-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, and the Companies Act 2006.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition and contract provisions, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of our report

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

David Herbinet (Senior Statutory Auditor)

for and on behalf of Mazars LLP Chartered Accountants
and Statutory Auditor
30 Old Bailey
London, EC4M 7AU
United Kingdom

27 May 2022

Profit and loss account for the year ended 31 October 2021

	Note	Before exceptional item 2021 £000	Exceptional item 2021 £000	2021 £000	Before exceptional items 2020 £000	Exceptional items 2020 £000	2020 £000 Restated
Turnover	3	937,159	-	937,159	818,767	699	819,466
Cost of sales		(908,738)	(240)	(908,978)	(828,012)	(1,275)	(829,287)
Gross profit/(loss)		28,421	(240)	28,181	(9,245)	(576)	(9,821)
Administrative expenses		(20,531)	-	(20,531)	(20,812)	(5,077)	(25,889)
Other operating income	4	1,937	-	1,937	9,504	-	9,504
Operating profit/(loss)	6	9,827	(240)	9,587	(20,553)	(5,653)	(26,206)
Interest receivable	7	4	-	4	137	-	137
Amortisation of investments	16	(254)	-	(254)	(153)	-	(153)
Revaluation gain/(loss) on Joint-ownership properties	18	84	-	84	(35)	-	(35)
Finance costs	8	(245)	-	(245)	(536)	-	(536)
		(411)	-	(411)	(587)	-	(587)
Profit/(loss) before tax		9,416	(240)	9,176	(21,140)	(5,653)	(26,793)
Taxation (charge)/credit	12	(961)	46	(915)	2,316	1,074	3,390
Profit/(loss) for the financial year		8,455	(194)	8,261	(18,824)	(4,579)	(23,403)

The comparative Profit and loss account, for the year ended 31 October 2020, has been re-presented to disclose separately the amortisation of investments and the revaluation loss on Joint-ownership properties.

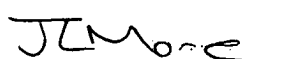
Statement of comprehensive income for the year ended 31 October 2021

	2021 £000	2020 £000
Profit/(loss) for the financial year	8,261	(23,403)
Remeasurement gain/(loss) on post-retirement medical scheme (note 22)	106	(165)
Deferred tax (charge)/credit relating to remeasurement (gain)/loss on post-retirement medical scheme	(14)	50
	92	(115)
Total comprehensive income/(expense) for the year	8,353	(23,518)

(Registration number: 00566823)
Balance sheet as at 31 October 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible fixed assets	13	23,930	25,070
Intangible fixed assets	14	1,271	-
Investments in subsidiaries	15	6	4
Other fixed asset investments	16	3,430	6,773
		28,637	31,847
Current assets			
Stocks	17	430	442
Debtors due within one year	18	237,547	234,596
Debtors due after more than one year	18	20,722	24,047
Cash and cash equivalents	19	106,222	96,675
		364,921	355,760
Creditors: Amounts falling due within one year	20	(287,268)	(273,603)
Net current assets		77,653	82,157
Total assets less current liabilities		106,290	114,004
Creditors: Amounts falling due after more than one year	20	(12,356)	(19,245)
Provisions for liabilities	21	(24,374)	(33,379)
Net assets excluding post-retirement medical scheme		69,560	61,380
Post-retirement medical scheme	22	(5,416)	(5,589)
Net assets		64,144	55,791
Capital and reserves			
Called up share capital	24	67,750	67,750
Profit and loss account	25	(3,606)	(11,959)
Total equity		64,144	55,791

Approved and authorised for issue by the
Board on 27 May 2022 and signed on its behalf by:



Leighton More FCA
Director

Statement of changes in equity for the year ended 31 October 2021

	Share capital £000	Profit and loss account £000	Total £000
At 1 November 2020	67,750	(11,959)	55,791
Profit for the financial year	-	8,261	8,261
Other comprehensive income	-	92	92
Total comprehensive income	-	8,353	8,353
At 31 October 2021	67,750	(3,606)	64,144

	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

Cash flow statement for the year ended 31 October 2021

	Note	2021 £000	2020 £000 Restated
Net cash flow from operating activities	26	15,979	9,022
Cash flow from investing activities			
Purchase of tangible fixed assets	13	(3,291)	(3,066)
Sale of tangible fixed assets		1,431	1,247
Purchase of intangible fixed assets	14	(1,284)	-
Purchase of investments	15, 16	(502)	(334)
Interest received		4	137
Net cash flow from investing activities		(3,642)	(2,016)
Cash flow from financing activities			
Interest paid		(107)	(271)
Repayment of finance lease obligations		(2,683)	(4,105)
Net cash flow from financing activities		(2,790)	(4,376)
Net increase in cash and cash equivalents		9,547	2,630
Cash and cash equivalents at beginning of year		96,675	94,045
Cash and cash equivalents at end of year		106,222	96,675

The comparative Cash flow statement, for the year ended 31 October 2020, has been re-presented to reclassify interest received from Financing activities to Investing activities, as the Directors consider this to be more appropriate in the context of the Company's business activities. This reclassification has no impact on the Balance sheet or on the Profit and loss account.

Notes to the financial statements for the year ended 31 October 2021

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 27 May 2022.

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', and with the applicable requirements of the Companies Act 2006.

Basis of preparation

These financial statements are presented in pounds sterling, rounded to the nearest thousand, and have been prepared using the historical cost convention except, as disclosed in the accounting policies, in respect of Joint-ownership properties which are included at valuation.

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 Ltd, the ultimate parent company, and in respect of the compensation of Key Management personnel.

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, no debt covenants or restrictions and therefore, with no material foreign exchange transactions or balances, has no significant interest rate or exchange rate risk.

The Company has considerable financial resources. The Directors have prepared cashflow forecasts to 31 October 2023, showing a base case with a downside scenario modelled against this. The base case shows the cashflow generated from secured and nearly-secured contracts 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 sufficient cash headroom can be maintained throughout this period.

Brexit was considered by the Directors, but after more than a year since its inception there are no further concerns regarding its impact on the construction business or the wider economy. Climate change, and the steps that the Company is taking to address this issue, are dealt with separately above, within Climate-related risk and our responses, but the matter is not considered likely to have any impact on our clients or supply chain such as to cast doubt on the financial forecasts referred to above. The recent invasion of Ukraine by Russian military forces, which has increased short-term energy prices throughout the UK and Europe and may add further to the current inflationary cycle, has caused significant uncertainty in financial markets worldwide but is not considered to be a significant threat to the Company or its cash flow, with all of its business both generated and conducted in the UK.

Taking all of the above matters into consideration, 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

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.

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. Judgment is therefore required as to whether such assets should be recognised.

Key sources of estimation uncertainty

Turnover

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

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 as derived from the Company's Board-approved budgets and forecasts. £2,488k (2020: £4,026k) of £10,164k (2020: £10,688k) deferred tax assets recognised at the balance sheet date 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 for liabilities

Provisions (see note 21) 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. Unless there is certainty that the remedial works will be delayed or deferred beyond one year from the balance sheet date, the amounts provided for those costs are not discounted.

Significant accounting policies

(a) Revenue recognition

Turnover represents the value of civil engineering and building work carried out during the year, including the Company's share of turnover in jointly-controlled operations, and also includes fees earned from clients for managing projects on their behalf under Construction Management contracts.

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.

b) 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 and prior financial years the Company was also able to claim certain employment costs in respect of "furloughed" employees, under the Government's "Coronavirus Job Retention Scheme". Such grants were also recognised on an accruals basis as income during the respective years.

(c) 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, significant in size or in nature, or arising from outside the Company's normal course of business, to be suitable for separate presentation (see note 5).

(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 timing differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised, 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.

During the year the Directors reviewed and, where appropriate re-classified certain tangible fixed assets from Furniture, fittings and equipment to Plant and equipment, in order to more closely align the nature of those assets and their respective business use. The net book value of such reclassified assets was £1.5m – see note 13.

(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.

The Directors additionally reviewed and reassessed the bases on which assets in each class of tangible fixed assets are depreciated, based on recent experience of the useful lives of each class of asset and their respective residual values on disposal.

The revised bases for each class of asset, which are being applied prospectively with effect from the current financial year, are set out below:

Asset class	Depreciation method and rate
Freehold buildings other than properties under construction	Reducing balance at 5% per annum
Furniture, fittings and equipment	Straight-line on cost at between 20% and 50% per annum
Plant and equipment	Reducing balance of vehicles at between 25% and 35% per annum, and straight-line on cost of other items, net of estimated residual value, at between 10% and 33 1/3% per annum

The impact on pre-tax profit arising from adoption of these revised bases was an increase of £1.5m to £2.0m for the year ended 31 October 2021. It is not practical to quantify the impact of the change in future periods.

(h) Intangible fixed assets

Internally-generated assets, comprising software and consultancy costs, are recognised at cost less accumulated amortisation and impairment losses.

Amortisation is recognised on a straight-line basis over each asset's estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The estimated useful lives for the Company's finite-life intangible assets are 3 to 10 years. Amortisation commences once the asset is in use, and the charge is recognised in administrative expenses. Assets under construction are not amortised.

(i) Investments in subsidiaries

Investments in subsidiaries are stated at cost less any impairment.

(j) Jointly-controlled operations

Construction contracts carried out as a joint arrangement without the establishment of a legal entity are joint operations. The Company's share of the results and net assets of these joint operations are included under each relevant heading in the Profit and loss account and the Balance sheet.

(k) Other fixed asset investments

Investments in equity shares which are not publicly traded, and where fair value cannot be measured reliably, are measured at cost, less a charge for amortisation over their useful life.

(l) Joint-ownership properties

Amounts receivable in respect of the Company's joint ownership of properties are financial instruments under section 12 of FRS 102, and unrealised gains and losses on those receivables are therefore accounted for as fair value movements in the Profit and loss account.

(m) 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. Interest receivable is classified as arising from Investing Activity in the Cash Flow Statement.

(n) Trade debtors

Trade debtors are amounts due from clients 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.

(o) 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.

(p) 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.

(q) Provisions for liabilities

Provisions are recognised when the Company has a present legal or constructive obligation at the reporting date as a result of past events, 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.

(r) Leases**Finance 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.

Finance 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.

Operating leases

All other leases are operating leases, and the rentals payable on those leases are charged to the profit and loss account as incurred over the lives of the related leases.

(s) 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.

(t) 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.

(u) 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.

(v) 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 22, 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.

(w) Unregulated, unfunded pension savings plan

The Company operates an unregulated, unfunded pension savings plan, for eligible senior employees who are members of neither the Company's defined benefit scheme nor its defined contribution pension scheme. Contributions to the scheme are accrued by the Company, and the accrued balance adjusted annually for inflation.

(x) Defined benefit post-retirement medical scheme

The Company operates a defined benefit medical scheme, whereby members become entitled to healthcare-claim benefits after their retirement. The scheme is unfunded, and the present value of the liability for benefits payable is recognised in the Balance sheet. Actuarial gains and losses on the healthcare obligation are recognised through other comprehensive income, and interest on the liability is recognised in the Profit and loss account within finance costs. More information on this scheme can be found in note 22 below.

3 | Turnover

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

	2021 £000	2020 £000
Contracting	937,159	819,466

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:

	2021 £000	2020 £000
Coronavirus Job Retention Scheme grants	119	7,310
Research and Development Expenditure Credits	1,213	1,668
Gains on disposal of tangible fixed assets	605	526
	1,937	9,504

5 | Exceptional items

The Covid-19 pandemic impacted our financial results in both the current and the prior year, and necessitated a strategic review of the business initiated in the prior year costing £5.2m. £1.2m was spent in 2019-20, (comprising £1.0m relating to employee costs and £0.2m relating to onerous lease charges) and the balance of £3.9m was utilised from the 2020 provision during the current year, (£3.7m relating to employee costs and £0.2m relating to onerous lease charges). See note 21.

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 business stream did not meet the definition of a discontinued operation 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 £Nil (2020 - £0.7m). The charge for costs relating to this business was £0.2m (2020 - charge of £1.3m).

6 | Operating profit /(loss)

Arrived at after charging/(crediting):

	2021 £000	2020 £000
Depreciation of tangible fixed assets	4,822	8,153
Amortisation of intangible fixed assets	13	-
Operating lease expense - property	4,835	5,039
Operating lease expense - plant and equipment	11,601	8,965
Gains on disposal of tangible fixed assets (including £Nil in Administrative expenses (2020: (£96,000))	(605)	(622)
Foreign exchange losses	514	131
Coronavirus Job Retention Scheme grants	(119)	(7,310)
Research and development expenditure	9,231	9,167
Research and Development Expenditure Credits	(1,213)	(1,668)

7 | Interest receivable

	2021 £000	2020 £000
Bank interest receivable	4	137

8 | Finance Costs

	2021 £000	2020 £000
Interest on obligations under finance leases	138	265
Interest on post-retirement medical scheme obligation	88	107
Other interest payable	19	164
	245	536

9 | Employee Costs

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

	2021 £000	2020 £000 Restated
Wages and salaries	160,021	146,829
Social security costs	17,294	15,763
Pension costs, defined contribution scheme	7,284	6,978
Pension costs, defined benefit scheme	297	229
Pension costs, unregulated, unfunded savings plan	185	166
	185,081	169,965

The 2020 comparatives have been restated in respect of Pension costs, defined contribution scheme, to reflect costs borne in the profit and loss account, and in respect of Pension costs, unregulated, unfunded savings plan, which were not previously disclosed.

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

	2021 No.	2020 No.
Operations	2,030	2,105
Administration	128	142
	2,158	2,247

10 | Directors' remuneration

The Directors' remuneration for the year was as follows:

	2021 £000	2020 £000 Restated
Remuneration	2,753	2,524
Contributions paid to money purchase schemes	36	42
Contributions to defined benefit pension scheme	297	229
Contributions to unregulated, unfunded pension savings plan	27	11
	3,113	2,806

The 2020 comparatives have been restated in respect of Contributions to defined benefit pension scheme, and Contributions to unregulated, unfunded pension savings plan, to reflect costs which were not previously disclosed.

In respect of the highest paid director:

	2021 £000	2020 £000
Remuneration	765	704

No contributions were paid, in either the current or the prior year, to money purchase schemes, defined benefit pension schemes or to the unregulated, unfunded pension savings plan, in respect of the highest paid director. The highest paid director has no accrued pension or lump sum from any of those schemes.

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

	2021 No.	2020 No.
Accruing benefits under defined benefit pension scheme	2	2
Accruing benefits under money purchase pension schemes	2	2
Accruing benefits under unregulated, unfunded pension savings plan	2	1

The Directors consider the members of the Executive Leadership Team ("ELT") to be the Key Management Personnel of the Company. See "Our Executive Leadership Team" on page 17 for details of the composition of the ELT. The Company has taken advantage of the disclosure exemption available under Section 1.12e of FRS 102 in respect of the Section 33 paragraph 7 requirement for disclosure of compensation of the ELT, for the current and the prior year.

11 | Auditor's remuneration

	2021 £000	2020 £000
Audit of the financial statements	305	278
Other fees	-	5
	305	283

Other fees in 2020 were in respect of a review of the Company's business cash forecasting model.

12 | Taxation

	2021 £000	2020 £000
Current taxation		
United Kingdom corporation tax	(190)	2,278
United Kingdom corporation tax adjustment to prior periods	(215)	1,266
	(405)	3,544

Deferred taxation

Arising from origination and reversal of timing differences	(1,950)	(1,287)
United Kingdom corporation tax rate change	1,358	1,143
United Kingdom deferred tax adjustment to prior periods	82	(10)
	(510)	(154)
Tax (charge)/credit in the Profit and loss account	(915)	3,390

In addition to the tax charge in the Profit and loss account, deferred tax of £14,000 was charged (2020: £50,000 credited) directly to other comprehensive income in respect of the remeasurement gain (2020: loss) on the post-retirement medical scheme.

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

	2021 £000	2020 £000
Profit/(loss) before tax	9,176	(26,793)
Corporation tax (charge)/credit on profit/(loss) at standard UK rate of 19% (2020: 19%)	(1,743)	5,091
Income not taxable in determining taxable profit/(loss)	41	16
Expenses not deductible for tax purposes	(145)	(265)
Revaluation of joint ownership properties	(2)	8
Change in unrecognised deferred tax assets	(2,953)	(4,442)
Adjustments to tax charge in respect of previous periods	(133)	1,256
Remeasurement of deferred tax assets and liabilities due to changes in UK tax rate	1,358	1,144
Group relief surrendered for nil consideration	(151)	(1,068)
Impact of transfer pricing adjustments	2,813	1,650
Total tax (charge)/credit	(915)	3,390

Deferred tax

Deferred tax assets

	2021 £000	2020 £000
Fixed assets timing differences	864	367
Losses	6,558	8,160
Research and Development Expenditure Credits	1,410	1,099
Post-retirement medical scheme obligations	1,332	1,062
	10,164	10,688

In May 2021 the UK Government substantively enacted a new corporate tax rate for large companies, raising the rate from 19% to 25% with effect from 1 April 2023. The deferred tax assets have been calculated using the rate anticipated to be in force when the timing differences unwind. Recognised deferred tax assets are at a blended rate of 22% (2020: 19%).

It is expected that £2,488,000 (2020 - £4,026,000) of the deferred tax assets will reverse during the next year.

The Company has not recognised £46,607,000 (2020: £32,170,000) of deferred tax assets, calculated at 25% (2020: 19%), due to uncertainties as to the period of their recovery. Those unrecognised assets comprise:

	2021 £000	2020 £000
Accelerated capital allowances	3,034	3,799
Tax losses	42,850	28,058
Other timing differences	723	313
	46,607	32,170

There is no expiry date in respect of these unrecognised timing differences.

13 | Tangible fixed assets

	Freehold land and buildings £000	Furniture, fittings and equipment £000	Plant and equipment £000	Total £000
Cost				
At 1 November 2020	1,733	20,942	54,287	76,962
Reclassifications	-	(10,473)	10,473	-
Additions	-	292	4,216	4,508
Disposals	(11)	(6,420)	(4,259)	(10,690)
At 31 October 2021	1,722	4,341	64,717	70,780
Depreciation				
At 1 November 2020	928	17,531	33,433	51,892
Reclassifications	-	(8,984)	8,984	-
Charge for the year	33	907	3,882	4,822
Eliminated on disposals	(9)	(6,660)	(3,195)	(9,864)
At 31 October 2021	952	2,794	43,104	46,850
Carrying amount				
At 31 October 2021	770	1,547	21,613	23,930
At 31 October 2020	805	3,411	20,854	25,070

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:

	2021 £000	2020 £000
Plant and equipment (including £1,217,000 additions in the year (2020: £973,000))	5,435	8,950

14 | Intangible fixed assets

	Software development £000	Assets under construction £000	Total £000
Cost			
At 1 November 2020	-	-	-
Additions	120	1,164	1,284
At 31 October 2021	120	1,164	1,284
Amortisation			
At 1 November 2020	-	-	-
Charge for the year	13	-	13
At 31 October 2021	13	-	13
Carrying amount			
At 31 October 2021	107	1,164	1,271
At 31 October 2020	-	-	-

15 | Investments in subsidiaries

	£000
At cost	
At 1 November 2020	4
Additions	2
At 31 October 2021	6
Carrying amount	
At 31 October 2021	6
At 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.

**Country of Incorporation and
Principal Country of Operation**

Construction-related

Sir Robert McAlpine Management Contractors Limited	England & Wales
Bankside Electrical Contractors Limited	England & Wales
British Contracts Company Limited	England & Wales
Derby Joinery Limited	England & Wales

All shares held in subsidiary undertakings are Ordinary shares.

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

Property development

McAlpine Properties Limited	Cayman Islands
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The registered address for this company is 253 Dorcy Drive Industrial Park, PO Box 711, George Town, Grand Cayman KY1 1107.

16 | Other fixed asset investments

	Unlisted securities £000 Restated
Cost	
At 1 November 2020	7,480
Additions at cost	500
Disposals at cost	(3,589)
At 31 October 2021	4,391
Amortisation	
At 1 November 2020	707
Charge for the year	254
At 31 October 2021	961
Carrying amount	
At 31 October 2021	3,430
At 31 October 2020	6,773

Unlisted securities are held at cost, less a charge for amortisation over their useful life.

During the year to 31 October 2021, the Company's investment in McAulay Market Buildings Ltd was sold at cost to a fellow subsidiary undertaking, and the consideration for the sale is included within amounts due from related parties (see Note 18. below).

The analysis of the opening balances, at 1 November 2020, has been re-presented on a basis consistent with the 2021 analysis, which the Directors believe provides a more accurate description of the nature of the underlying investments.

17 | Stocks

	2021 £000	2020 £000
Raw materials and consumables	430	442

18 | Debtors

	Note	2021 £000	2020 £000 Restated
Due within one year:			
Trade debtors		27,733	35,584
Amounts recoverable on contracts		39,055	33,655
Contract retentions due		16,752	22,178
Amounts owed by related parties		134,906	112,007
Other debtors		3,578	18,869
Prepayments		10,598	4,783
Deferred tax assets	12	2,488	4,026
Corporation tax asset	12	2,437	3,494
		237,547	234,596

Amounts due from related parties, comprising ultimate parent undertaking £Nil (2020: £28,244,000), parent company £134,072,000 (2020: £80,516,000), subsidiary undertakings £744,000 (2020: 744,000) and fellow subsidiary undertakings £90,000 (2020: £2,503,000), are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

The analysis of the comparatives, at 31 October 2020, has been re-presented on a basis consistent with the 2021 analysis, which the Directors believe provides a more meaningful disclosure.

	2021 £000	2020 £000
Due after more than one year:		
Contract retentions due	12,473	16,897
Joint-ownership properties (including revaluation gain £84,000 (2020: revaluation loss £35,000))	573	488
Deferred tax assets	7,676	6,662
	20,722	24,047

19 | Cash and cash equivalents

	2021 £000	2020 £000 Restated
Cash at bank	106,222	96,675

Cash at bank includes £16,327,000 (2020: £9,533,000) in respect of joint venture operations, over which the Company has no control. The Company had no other cash at bank held under terms which are restrictive (2020: £Nil).

The analysis of the 2020 balance has been re-presented on a basis consistent with the 2021 analysis, which the Directors believe provides a more accurate description of the nature of the underlying assets.

20 | Creditors

	Note	2021 £000	2020 £000 Restated
Amounts falling due within one year:			
Finance leases	23	1,206	2,487
Trade creditors		43,067	63,010
Amounts payable on contracts		175,225	173,026
Contract retentions payable		20,834	10,472
Amounts due to related parties		246	241
Social security and other taxes		34,751	14,087
Other creditors		172	976
Accruals		11,767	9,304
		287,268	273,603
Amounts falling due after more than one year:			
Finance leases	23	1,673	1,720
Contract retentions payable		10,683	17,525
		12,356	19,245

Amounts due to related parties, comprising subsidiary undertakings £240,000 (2020: £240,000) and fellow subsidiary undertakings £6,000 (2020: £1,000), are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

The analysis of the comparatives, for 31 October 2020, has been re-presented on a basis consistent with the 2021 analysis, which the Directors believe provides a more meaningful disclosure.

Contract retentions payable after more than one year include £270,000 (2020: £270,000) payable after more than 5 years.

21 | Provisions for liabilities

	Covid-19 provision £000	Remedial provisions £000	Total £000
At 1 November 2020	3,913	29,466	33,379
Provisions utilised	(3,913)	(16,270)	(20,183)
Provisions released	-	(7,015)	(7,015)
Additional provisions	-	18,193	18,193
At 31 October 2021	-	24,374	24,374

Remedial provisions comprise provisions for costs expected to be incurred in respect of identified remedial works on completed contracts. Whilst the extent and likely cost of the identified remedial work are reasonably certain, the detail and timing of that work, and the associated spend, have not yet been agreed. Although such remedial work may be delayed or deferred beyond the financial year 2021-22, there is no certainty that it will not be carried out in that year and hence the amounts provided have not been discounted.

As explained in note 5 above, the balance of £3.9m in respect of the Covid-19 provision was utilised during the current year, comprising £3.7m employee costs and £0.2m onerous lease charges.

22 | Post-retirement pension schemes 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 triennial actuarial valuation was 31 October 2018. 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 the valuation are those relating to the rate of return on the investments and the rates of increases in salaries and pensions. Both the pre-retirement and the post-retirement rate of return use the market-implied gilt yield curve plus 2.0%, tapering down to 0.5% by 2035. Salary increases are assumed to be in line with deferred revaluation increases, as the future salary increase assumption is lower than CPI. Statutory revaluation underpins these benefits. Pension increases are based on LPI Pension Increases curves derived from RPI, adjusted for the impact of the cap and floor and with an allowance for inflation volatility.

The triennial actuarial valuation showed a net deficit of £182.4m, with the market value of the scheme's assets amounting to £438.7m which was sufficient to cover 71% of the benefits that had accrued to members. The scheme is 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 at 31 October 2021 of £88.8m (2020 - £164.2m) 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 contributions from the Company. The pension cost charge for the year for these schemes represents contributions payable by the Company to the schemes and amounted to £7,284,000 (2020 - £6,978,000). All costs were expensed as incurred and there were no amounts outstanding, by way of either amounts owing or commitments, at the year end (2020 - £Nil).

Unregulated, unfunded pension savings plan

The Company operates an unregulated, unfunded pension savings plan, for eligible senior employees who are members of neither the defined benefit scheme nor a defined contribution pension scheme. Contributions to the scheme, at 6% of pensionable salary, are accrued by the Company, and the accrued balance adjusted annually for inflation. The charge for the year amounted to £185,000 (2020: £166,000). The accrued balance of the plan at 31 October 2021 amounts to £1,232,000 (2020: £1,208,000).

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 2021. The valuation was carried out by a third-party actuarial company.

The amounts recognised in the Balance sheet are as follows:

	2021 £000	2020 £000
Present value of scheme liabilities	5,416	5,589
Deferred tax asset	(1,029)	(1,062)
Post-retirement medical scheme deficit	4,387	4,527

Post-retirement medical scheme obligation

Changes in the obligation are as follows:

	£000
Present value at 1 November 2020	5,589
Interest cost	88
Actuarial gain on liabilities	(106)
Employer contributions	(155)
Present value at 31 October 2021	5,416

Principal actuarial assumptions

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

	2021 %	2020 %
Discount rate	1.80	1.60
Medical expenses inflation	10.00	9.50

23 | Obligations under leases

Finance leases

Finance leases relate to the purchase of heavy plant and machinery used in the Company's construction activities. Cranes are classified as plant and equipment within note 13. There are no contingent rental, renewal or purchase option clauses.

The total of future minimum lease payments is as follows:

	2021 £000	2020 £000
Within one year	1,206	2,487
After one year but not later than five years	1,673	1,720
	2,879	4,207

Operating leases

The total of future minimum lease payments is as follows:

	2021 £000	2020 £000
Within one year	2,726	3,776
After one year but not later than five years	5,061	863
	7,787	4,639

The amount of non-cancellable operating lease payments recognised as an expense during the year was £16,436,000 (2020 - £14,004,000), comprising land and buildings £4,835,000 (2020: £5,039,000) and plant and machinery £11,601,000 (2020: £8,965,000).

24 | Share capital

Allotted, called-up and fully-paid shares

	2021		2020	
	No. 000	£000	No. 000	£000
Ordinary shares of £1 each	67,750	67,750	67,750	67,750

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

25 | Reserves

Profit and loss account

The Profit and loss account represents the Company's total retained earnings available for distribution. The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

2021

Remeasurement gain on post-retirement medical scheme

Deferred tax relating to remeasurement gain on post-retirement medical scheme

Retained earnings	Total
£000	£000
106	106
(14)	(14)
92	92

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

2020

Remeasurement loss on post-retirement medical scheme

Deferred tax relating to remeasurement loss on post-retirement medical scheme

Retained earnings	Total
£000	£000
(165)	(165)
50	50
(115)	(115)

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

	2021 £000	2020 £000
Operating profit/(loss)	9,587	(26,206)
Adjustments for:		
Depreciation of tangible fixed assets	4,822	8,153
Amortisation of intangible fixed assets	13	-
Gains on disposal of tangible fixed assets	(605)	(622)
Reduction in stocks	12	228
Decrease/(increase) in debtors	2,466	(2,605)
Increase in creditors	9,706	9,540
(Decrease)/increase in provisions	(9,005)	18,724
(Decrease)/increase in post-retirement medical scheme liabilities	(67)	50
Net cash generated by operations	16,929	7,262
Corporation tax (paid)/recovered	(950)	1,760
Net cash flow from operating activities	15,979	9,022

27 | Net cash/(debt) reconciliation

	2020 £000	New finance leases £000	Cash flows £000	2021 £000
Cash at bank	96,675	-	9,547	106,222
Finance leases	(4,207)	(1,217)	2,545	(2,879)
Net cash/(debt)	92,468	(1,217)	12,092	103,343

28 | Capital commitments

There were commitments of £1.7m at 31 October 2021 (2020: £3.2m) in respect of the acquisition of tangible fixed assets. There were no material commitments (2020: £Nil) in respect of intangible fixed assets.

29 | Contingent liabilities

Bonds are provided in the normal course of business, providing assurance of:

- Compensation in respect of the performance of contracts;
- Monies received that would otherwise be withheld as contract retentions; and
- Client materials stored off-site.

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

30 | Related party transactions

There were transactions amounting to £136.7m (2020 - £69.0m) in respect of construction and other contracts on normal commercial terms with various joint arrangements, of which £1.2m (2020 - £15.4m) was owing at the year end and included within debtors due in less than one year (note 18).

There were transactions amounting to £44.8m (2020 - £28.3m) in respect of construction and other contracts on normal commercial terms with joint ventures and unlisted investments, of which £Nil (2020 - £0.3m) was owing at the year end and included within debtors due in less than one year (note 18).

31 | Parent and ultimate parent undertaking

The Company's immediate parent is Sir Robert M^cAlpine (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 M^cAlpine 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. Those financial statements are available upon request from Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR. This is the largest Company that consolidates Sir Robert M^cAlpine Limited.

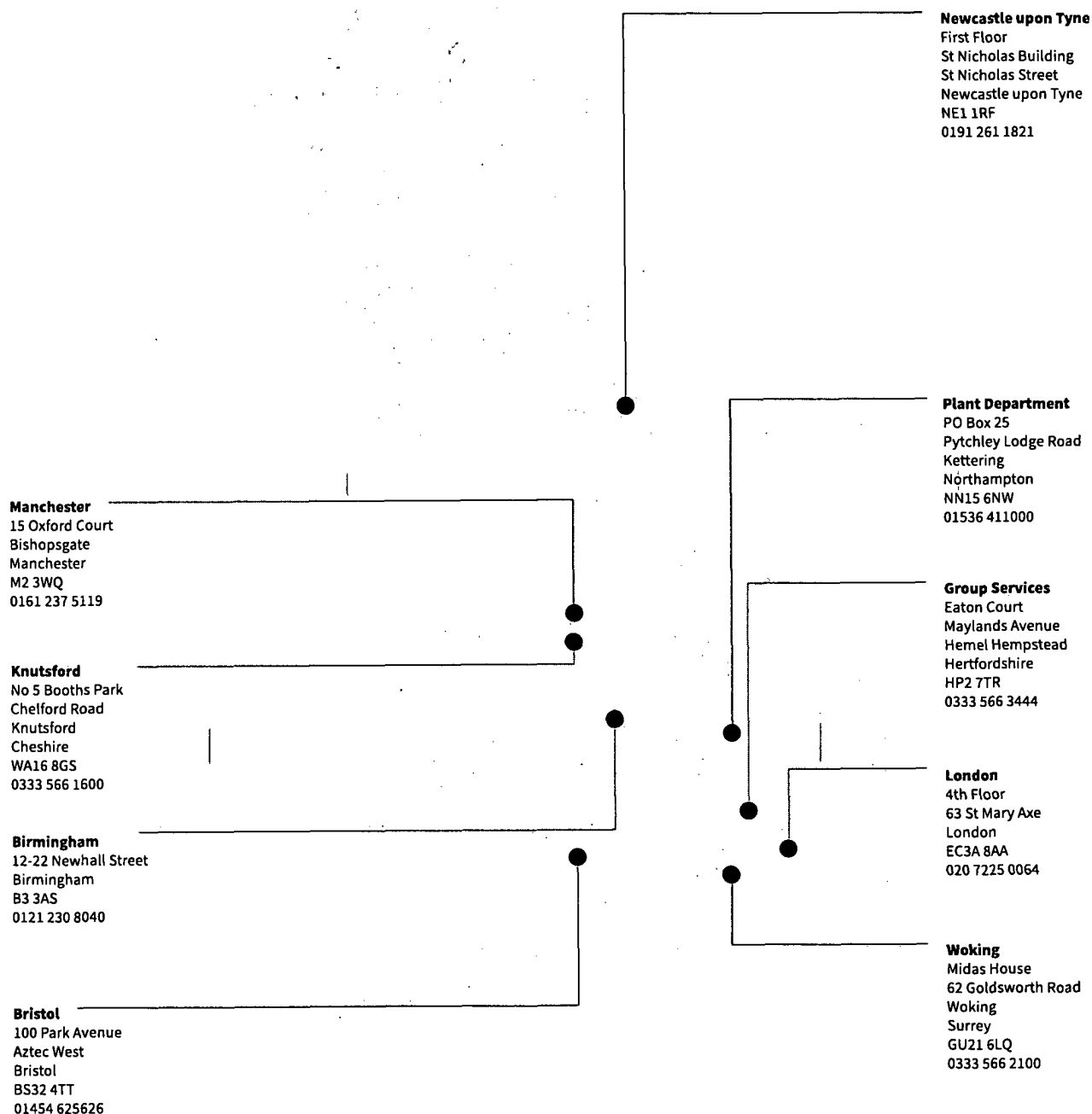
The ultimate controlling party is The M^cAlpine Partnership Trust.

32 | Post balance sheet events

On 24 February 2022, an invasion of Ukraine by Russian military forces commenced, which has to date given rise to increased energy and commodity prices throughout the UK and Europe and significant uncertainty in financial markets worldwide. The Company has assessed, and will continue to assess the implications of the events in Ukraine, but currently there is considered to be no material impact on the business's financial performance or position.

Other than the above, there have been no significant events since the balance sheet date that would require adjustment of, or disclosure in these financial statements.

Office locations



Proudly building Britain's future heritage

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WeAreMcAlpine



Sir Robert McAlpine



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