Supporting UK Infrastructure

Renew Holdings plc

Annual Report and Accounts
Year ended 30 September 2014

renew

Supporting UK Infrastructure

Renew provides multidisciplinary Engineering Services through its independently branded businesses to support essential UK infrastructure.

Energy

Nuclear, traditional, renewable and gas infrastructure

> page 24

Infrastructure

Rail and wireless telecoms

> page 32

Environmental

Water and land remediation

> page 28

Specialist Building

High quality residential

> page 36

Strategic Report

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Highlights

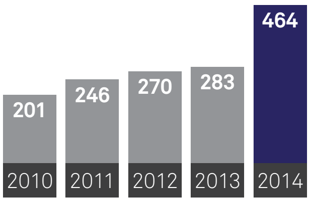
We improve
We maintain
We renew

The Group has successfully grown its Engineering Services business both organically and by acquisition.

Financial highlights

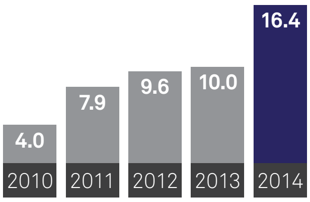
Revenue* £m

£464m



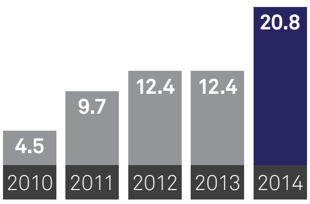
Adjusted operating profit* £m

£16.4m



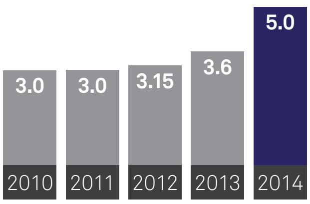
Adjusted earnings per share* p

20.8p



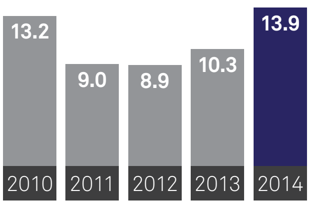
Dividend per share p

5.0p



Net assets £m

£13.9m



* Results are shown prior to exceptional items and amortisation charges and after accounting for discontinued operations.

Operational highlights

- Successful integration of Lewis Civil Engineering Limited
- Acquisition of Clarke Telecom Limited
- Acquisition of Forefront Group Limited

Read more about our operations

Business model
> page 8

Strategy
> page 10

Strong independently branded subsidiary businesses

Renew's Board structure

Renew Holdings plc

Non-executive Chairman
Roy Harrison OBE
Chairman of the Board

Independent Non-executive Director
John Bishop

Chief Executive
Brian May

Independent Non-executive Director
David Forbes

Group Finance Director and Company Secretary
John Samuel FCA

Group Engineering Services Director
Paul Scott

Board of Directors
> page 43

Governance
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Renew's organisational structure

Renew Holdings plc

- Energy
- Environmental
- Infrastructure
- Specialist Building

Renew's subsidiary businesses

Our independently branded subsidiary businesses, supported by the strength of the Renew Holdings group, deliver Engineering Services aligned to our clients' local needs, where regional knowledge and specialist expertise provide a differentiator.

AMCOengineering, LEWIS, WalterLilly, SEL, seymour, VHE, CLARKE telecom, AMCOrail, Forefront, BRITANNIA

Operational review
> page 22

Chief Executive's review
> page 16

Integrated Engineering Services

With our range of integrated Engineering Services we are ideally positioned to access essential maintenance and renewal spending programmes across our markets.

10
Individually branded UK subsidiary businesses

2
Acquisitions in the year

3,121
Directly employed, multi-skilled employees

£464m
Group revenue

Renew Holdings plc

Engineering Services

Our subsidiaries operate across the Energy, Environmental and Infrastructure markets.

Energy

Environmental

Infrastructure

Our multidisciplinary engineering services businesses provide:

- Operational support and asset care
- Critical planned and reactive maintenance and renewals
- Civil, mechanical and electrical engineering

- Nuclear decommissioning
- Supporting traditional and renewable energy facilities
- Gas distribution network asset maintenance, replacement and installation
- Specialist flow stopping, drilling and internal inspection

- Maintaining strategic water mains and main drainage
- Clean and waste water rehabilitation infrastructure
- Flood alleviation and attenuation
- Port, harbour and sea defences
- Soil and groundwater remediation

- Off-track asset renewal and maintenance
- Tunnel and shaft refurbishment
- Bridges, structures and earthworks
- Moving structures
- Wireless telecoms installations

Well positioned for future growth

We operate in mainly regulated markets where long-term spending plans and committed funding provide good visibility of future opportunities.

Energy

Nuclear

The Nuclear Decommissioning Authority ("NDA") is responsible for the cleanup and waste management of the UK's nuclear legacy. With 17 sites nationally, the NDA's total planned expenditure for 2014/15 is around £3bn. Over half of this is allocated to Sellafield where work continues to focus on high risk and high hazard reduction operations.[1]

An estimated investment of around £60bn is expected in new nuclear power stations in the UK by 2030 as most of the existing fleet of nuclear power stations are retired.[2]

Traditional and renewable

As demand for energy increases, it is likely that the life of some of the UK's existing traditional generating assets will be extended, requiring investment in long-term maintenance programmes.

Demand for renewable energy is expected to increase following the government's commitment to deliver 15% of the UK's energy consumption from renewable sources by 2020.[3]

As part of ongoing improvements to the gas network, the UK is currently undertaking a number of essential gas network asset replacement programmes. Following concerns over iron gas mains safety, the Health and Safety Executive has implemented the national Iron Mains Risk Reduction Programme to replace gas mains within 30 metres of a building by 2032 or earlier.[4]

Environmental

Water

UK water companies, regulated by the Water Services Regulation Authority ("Ofwat"), undertake large scale investment programmes to maintain and renew their water and sewerage infrastructure assets. Work on Asset Management Programme 6, the next five year regulatory period in the water industry, is due to commence in April 2015 and will focus on maximising the efficient use of existing assets through integrated solutions.

The UK government has made an unprecedented six year commitment to invest record levels in improving flood defences up to 2021.[5]

Land remediation

The Homes and Communities Agency ("HCA") is responsible for the disposal of publicly owned land, including former industrial land transferred from the former Regional Development Agencies.

The HCA Corporate Plan 2014–2018 includes specific targets in relation to the use of such legacy sites and funding arrangements to achieve economic growth, and to provide suitable and sufficient housing stock across the UK and to stimulate strategic inward investment.[6]

Infrastructure

Rail

Demand for rail services is anticipated to grow by more than 30% over the next decade.

To meet this challenge Network Rail is investing around £38bn over the next five years to 2019 (CP5) on running, maintaining and improving Britain's railway which includes some 30,000 bridge, tunnel and embankment assets.[7]

Wireless telecoms

Research undertaken for the market regulator, Ofcom, estimates that demand for mobile data could be as much as 80 times higher than today by 2030 as the market continues to expand, with growth largely driven by the increasing use of mobile devices and internet services.

As demand for service on the existing mobile network infrastructure increases, substantial investment is expected to add new infrastructure, upgrade existing networks and decommission redundant assets. Ofcom set a 2017 deadline for network operators to provide comprehensive 2G, 3G and 4G coverage across the country.[8]

Specialist Building

High quality residential

The high quality residential market in London and the Home Counties remains strong with improved visibility. We have particular specialist engineering expertise in carrying out major structural alteration works.

This market requires knowledge and experience. Walter Lilly has a strong brand and an excellent reputation developed over many years in this market.

1 Nuclear Decommissioning Authority, Business Plan – financial year beginning April 2014 to financial year ending March 2017 (April 2014).

2 HM Government, Industrial strategy: government and industry in partnership, The UK's Nuclear Future (2013).

3 Department of Energy & Climate Change, UK Renewable Energy Roadmap (July 2011).

4 Health and Safety Executive, Enforcement Policy for the iron mains risk reduction programme 2013–2021.

5 Environment, Food and Rural Affairs Committee, Winter floods 2013–14: Government response to the Committee's First Report of Session 2014–15 (October 2014).

6 Homes and Communities Agency, Corporate Plan 2014–18 (July 2014).

7 Network Rail Limited, Annual report and accounts 2014 (June 2014).

8 Ofcom, Consumer experiences of mobile phone calls (August 2014).

Operational review
> page 22

Expanding our range of Engineering Services

Making progress in new markets

As part of the Group's strategy of expanding its range of capabilities into new infrastructure markets, Renew made two complementary acquisitions in the year in Clarke Telecom and Forefront Group, giving the Group a position in the wireless telecoms and gas infrastructure markets.

Who are Clarke Telecom and Forefront Group?

Clarke Telecom, based in Manchester, is a leading supplier of specialist wireless telecoms infrastructure services, undertaking all aspects of delivery including acquisition, planning and design through to deployment and optimisation. Network roll-outs are managed by utilising highly skilled in-house resources. Working for the network operators, the majority of work is undertaken through framework agreements.

Forefront Group, based in the South East, is a leading supplier to the gas infrastructure market where it provides gas mains installation, repair, maintenance and replacement services through framework agreements. Working on the long-term gas network asset replacement programmes gives excellent visibility of opportunities and strong growth prospects.

Why has Renew chosen to expand its Engineering Services into the wireless telecoms and gas infrastructure markets through the recent acquisitions?

Renew's acquisition strategy has seen the Group consider a range of markets which benefit from good visibility of ongoing spending on UK infrastructure. Suitable business opportunities must have strong relationships in these markets where the skill sets are complementary to those that exist within the rest of the Group. Clarke Telecom and Forefront Group are leading suppliers in their markets, delivering engineering services to maintain and renew critical UK infrastructure assets, and operating in regulated markets which benefit from ongoing programmes of funding and which have high barriers to entry.

Does this change the Group's ongoing acquisition strategy?

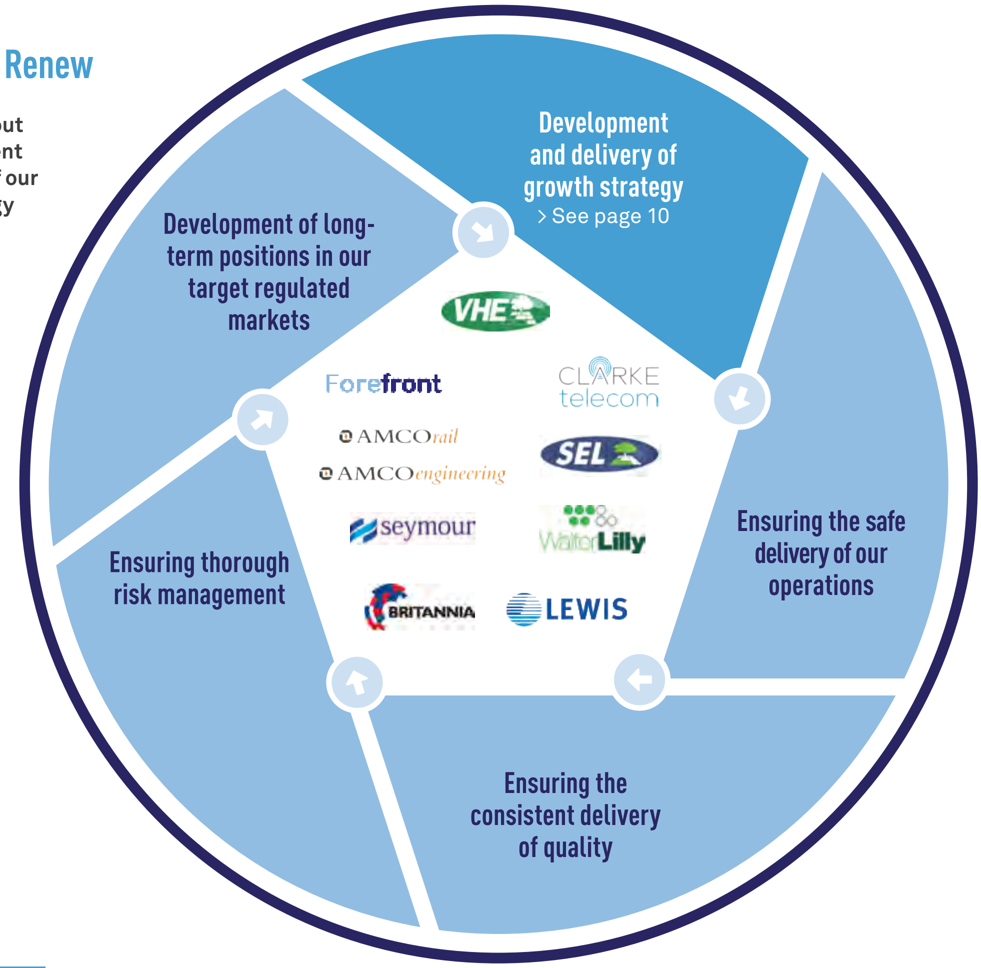
It remains the Group's ongoing strategy to continue to develop its range of Engineering Services, identifying acquisitions that either expand the Group's current market position or enable its entry into new markets, which will add to operating margins and enhance earnings per share.

Delivering value to shareholders

Through effective controls and management of our operating subsidiaries, we seek to deliver value to shareholders in the form of reliable capital growth and a progressive dividend policy. Growth is delivered through both organic and acquisitive strategies.

The role of Renew

Read more about the development and delivery of our growth strategy
> See overleaf



Our wholly owned subsidiary businesses provide specific Engineering Services within targeted markets.

Each of our businesses operates autonomously, supported by Renew in areas where setting overall standards and sharing best practice such as health and safety, human resources and information technology allows our subsidiaries to benefit from Group experience whilst maintaining their discrete approach to individual markets.

Individually our businesses build on their strong recognised brands whilst collective, collaborative working provides additional opportunities in expanding the range of services we offer to our clients.

Our business model in action

Ensuring the safe delivery of our operations

Safety remains the Group's priority. Our safe operations are managed and delivered locally by our subsidiary businesses alongside their safety advisors who have specific knowledge in the individual environments.

Our subsidiary businesses work in challenging environments, attention to delivering services safely ensures the continued improvement in our accident incidence rate which has improved by over 90% in the last nine years.

The work we undertake has seen a shift in nature with an increase in small teams working remotely. This change has driven our focus on behavioural safety training in addition to our continuing safety initiatives to ensure the well being of our employees, suppliers and those who work with us.

More about our safe operations can be found in our Corporate Social Responsibility report.

Corporate social responsibility report
> page 39

Ensuring the consistent delivery of quality

Our subsidiary businesses are leading suppliers in their markets. A key factor in our success in these markets is the consistent quality delivery of our services. The type of work the Group undertakes involves a high volume of small value tasks usually on large scale infrastructure networks.

Ensuring continuity of delivery takes many approaches and requires a commitment across our businesses in areas such as logistics, training, investment in technology, corporate social responsibility and in the management of our supply chain. We strive to continue to develop and improve our business processes with key initiatives such as our aftercare service programmes and supply chain workshops.

Operational review
> page 22

Ensuring thorough risk management

Our subsidiary businesses are governed by a system of controls which include overarching requirements to adhere to Group minimum standards using internal audit processes to monitor compliance.

Our system of internal controls is based on the key principles of risk assessment, control environment and activities, information and communication and monitoring and evaluation of effectiveness which delivers robust commercial risk management.

Each subsidiary business is required to have a management system in place. Renew's Group minimum requirements outline the processes to be maintained within the business management system. Individual business management systems are certified to ISO:9001.

Regular operational and financial reporting is supported by monthly management meetings attended by a Group Executive member, regular Executive Management Committee meetings and monthly main Board meetings.

Principal risks and uncertainties
> page 11

Development of long-term positions in our target regulated markets

Across our markets we provide multidisciplinary engineering services concentrating on operational support, asset care and maintenance. Undertaking a high volume of small tasks, we are often working on long-term framework agreements where we provide ongoing support to our clients over many years.

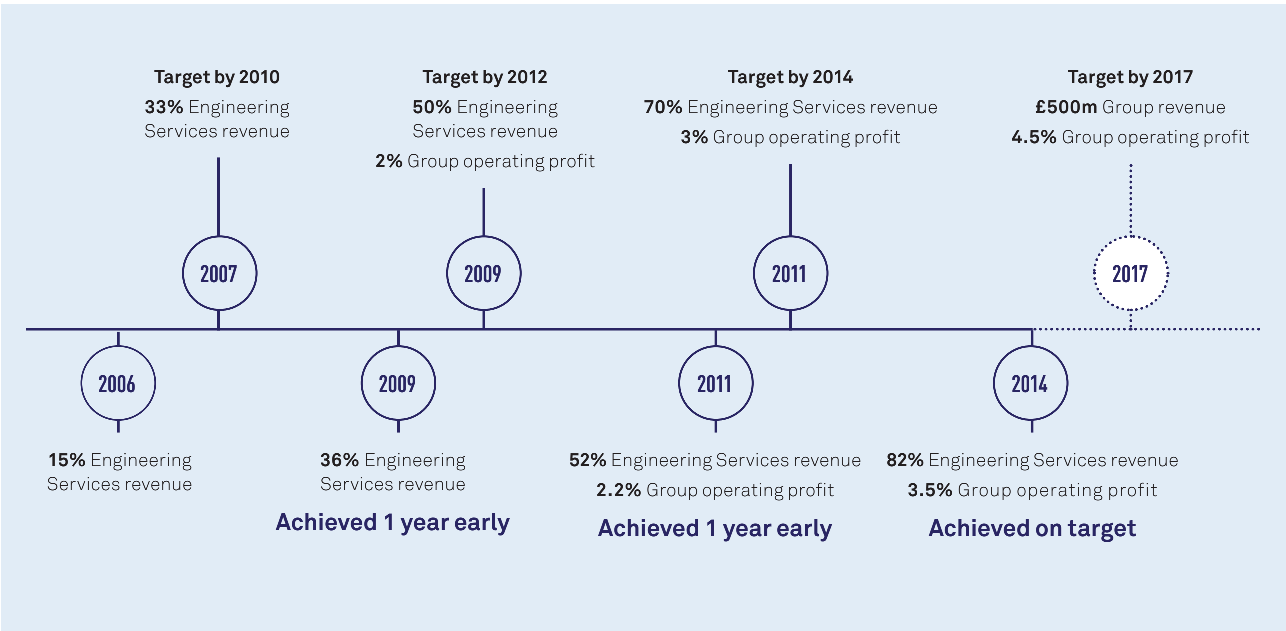
The work we undertake involves supporting the day-to-day operations, maintenance and emergency care requirements of some of the UK's essential assets including the rail network, nuclear and traditional power stations, water and gas pipe networks and wireless telecoms network infrastructure.

Our clients engage our services, often on a long-term basis, where our work enables them to maintain continuity of service to their customers. Our responsive integrated engineering services and consistent delivery mean that we work on some of the largest frameworks designed to deliver asset care and maintenance services from our clients' operational expenditure budgets.

Markets
> page 6

Development and delivery of our growth strategy

Our strategic targets



Where we were

Since 2006, it has been the Group's strategy to expand its Engineering Services activities both organically and by acquisition.

It has been the Group's ambition to develop its Engineering Services businesses to account for over 70% of Group revenue with turnover exceeding £500m.

Where we are

In 2014, Group revenue was £464m and Engineering Services accounted for 82% of this total.

The Group has strong positions in its target markets through a mixture of organic and acquisitive growth.

Where we are going

The Group continues to focus on developing its Engineering Services through:

- organic growth, broadening our service offering to existing and new clients;
- customer relationships built on responsiveness; and
- acquisitive growth through identifying businesses with strong relationships in regulated markets.

How we measure our progress

Key performance indicators

The Directors have established a number of key performance indicators which they use to measure and monitor the performance of the Group in a number of different areas. These measures are set out in the tables below. The Engineering Services segment targets have been established as part of the Board's drive to grow both revenue and profitability in that segment of the business. The safety record improvement target is set annually and achievement of this target is an essential component of the bonus scheme for each Director and senior manager within the Group.

	2017	2016	2015	2014	2013
Engineering Services revenue as a percentage of Group revenue					
Target – not less than	85%	84%	83%	70%	70%
Actual performance				82%	82%
Engineering Services operating profit as a percentage of revenue					
Target – not less than	5%	5%	5%		
Actual performance				4.3%	4.6%
Reduction in accident incidence rate					
Cumulative target since 2005	82%	76%	69%	63%	57%
Cumulative actual performance since 2005				92%	92%
Group operating profit as a percentage of revenue					
Target – not less than	4.5%	4.2%	4%		
Actual performance				3.5%	3.5%

How we measure our risk

Principal risks and uncertainties

This Annual Report contains certain forward looking statements. These statements are made by the Directors in good faith, based on the information available to them up to the time of approval of this report. Actual results may differ to those expressed in such statements, depending on a variety of factors. These factors include customer acceptance of the Group's services, levels of demand in the market, restrictions to market access, competitive pressure on pricing or additional costs, failure to retain or recruit key personnel and overall economic conditions.

A risk inherent in the contracting industry occurs in the nature, timing and contractual conditions which exist at the time of contract procurement. To mitigate these risks, the Group has a system of pre-contract and pre-tender risk assessment whereby senior management, including the Executive Directors where appropriate, review and advise on specific issues arising in the contract procurement process. In contracting, management is required to estimate the total expected costs on a contract and the stage of contract completion in order to determine both the revenue and profit to be recognised in an accounting period. The Group has control and review procedures in place to monitor, and evaluate regularly, the estimates being made to ensure that they are consistent and appropriate. This includes reviewing the independent certification of the value of work done, the progress of work against contracted timescales and the costs incurred against plan. Should such estimates and judgements be incorrect, then the Group's results could be materially different from those reported. The Group also seeks to limit its risks by specialising in certain markets where it has extensive experience and a particular skills base.

The Group derives much of its business from a relatively small number of major customers such as Network Rail, Northumbrian Water, Wessex Water, Welsh Water, National Grid, Sellafield Ltd and the Environment Agency. Were the Group to lose its position as a supplier to some or all of these customers then the Group's financial position could be materially and adversely affected.

The Group has two closed final salary pension schemes, details of which are disclosed in Note 24. Should the actuarial deficit relating to one or both of these schemes materially deteriorate then the Group could be required to make substantial payments into the schemes in accordance with the requirements of the Pensions Act 1995. The Group has taken steps to mitigate this risk by working with the schemes' Trustees to develop liability matching investment strategies. These have included both schemes entering into annuity policies which match the liabilities in respect of certain of the schemes' beneficiaries. At 30 September 2014, these policies are equivalent to 32% of the combined scheme liabilities.

A strong platform for growth

Growth is delivered through the development of long-term relationships with clients responsible for the renewal and maintenance of essential operational assets in Energy, Environmental and Infrastructure markets.

Our local businesses are aligned to respond to the ongoing maintenance needs of our clients' operational assets undertaking work mainly through framework agreements.

Reasons to invest in Renew

Consistent delivery of strategic targets

Since 2006 the Group has delivered on its strategic targets including Group operating profit and Engineering Services as a percentage of overall Group revenue.

Continued organic and acquisitive growth

The Group has consistently delivered organic growth in its existing businesses and has further expanded its operations with two more acquisitions in the period.

Operating in markets with high barriers to entry

The markets in which we operate demand a highly skilled workforce and a proven track record of safe delivery.

Delivery of integrated engineering services

Our subsidiary businesses offer a range of integrated multidisciplinary Engineering Services solutions delivering both time and cost efficiencies.

Operating in mainly regulated markets

Our target markets are mainly regulated which drives long-term programmes of spending on asset renewal and maintenance.

Long-term relationships with key clients

Our range of services and responsiveness to our clients' needs positions us as a key supplier. Our work enables our clients to maintain continuity of service.

Growing operating margins

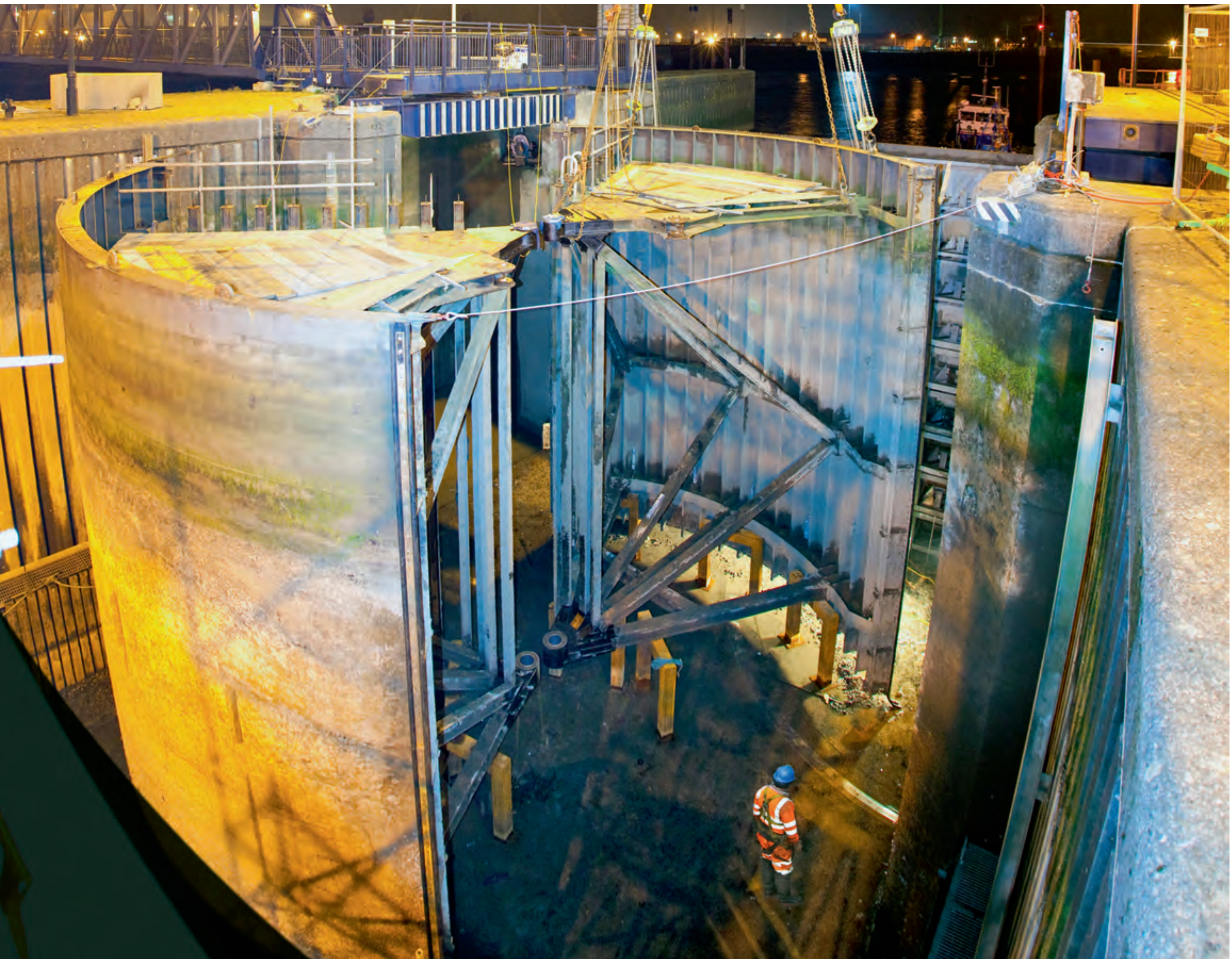
Since 2006 our Group operating margins have more than trebled from 1% to 3.5% as our strategy of moving to Engineering Services has been fulfilled.

Strong balance sheet

The Group's net assets have grown by 161% since 2006.

Capital growth

The Group has grown its market capitalisation over eight fold since 30 September 2005 without recourse to new equity.



How Renew grows its Engineering Services operations:

We achieve organic growth through:

- our strategy of responsiveness;
- our ability to deliver locally through our branded businesses;
- investing in the skills of our multi-skilled directly employed workforce and employees; and
- our alignment with local managers of key operational assets, responding to critical task requirements and enabling required service levels to be maintained.

We achieve acquisitive growth through:

- the acquisition of Clarke Telecom, giving the Group a position in the wireless telecoms infrastructure market;
- the acquisition of Forefront Group, giving the Group a position in the gas infrastructure market; and
- consideration of complementary earnings enhancing opportunities.

Chairman's statement

A strong year for Renew

R J Harrison OBE
Chairman

Summary

- Record results for the year ended 30 September 2014.
- The Engineering Services business has seen growth across all its markets of Energy, Environmental and Infrastructure.
- Engineering Services operating profit has seen a 54% increase to £16.3m.

Results
Record results for the year ended 30 September 2014 demonstrate the Group's continued progress as a leading multidisciplinary Engineering Services provider, supporting critical UK infrastructure.

Group revenue and operating profit, prior to exceptional items, amortisation and discontinued operations were both up 64% to £464.5m (2013: £282.7m) and £16.4m (2013: £10.0m) respectively. Group operating margin was maintained at 3.5% (2013: 3.5%). Earnings per share prior to exceptional items, amortisation and discontinued operations increased by 68% to 20.80p (2013: 12.38p) with basic earnings per share on continuing activities of 16.83p (2013: 16.62p).

The Engineering Services business has seen growth across all its markets of Energy, Environmental and Infrastructure with revenue up 65% to £382.5m (2013: £232.4m). Engineering Services accounts for 82% of Group revenue.

The largest area of growth was in our Rail business which experienced high levels of demand for emergency repair works following last winter's extreme weather conditions alongside a Network Rail "enhanced spend" programme which together added £64.7m of non-recurring revenue. Our position with Network Rail has been recently strengthened following our appointment to seven Control Period 5 Infrastructure Projects frameworks with an advertised value of £450m over the next five years.

Engineering Services operating profit has seen a 54% increase to £16.3m (2013: £10.6m) with an operating margin of 4.3% (2013: 4.6%). Margin reduced slightly as much of the additional non-recurring Rail revenue referred to above was undertaken on a cost reimbursable basis with a lower margin. When the effect of the non-recurring Rail activity and acquisitions is excluded from our results, Engineering Services delivered 18% growth in revenue and 22% growth in operating profit.

Specialist Building is predominantly focused on the High Quality Residential market in London and the Home Counties. Revenue increased by 62% to £82.1m (2013: £50.6m) and operating profit by 69% to £2.2m (2013: £1.3m), delivering an operating margin of 2.6% (2013: 2.5%). These results exclude those of Allenbuild Limited which has been treated as a discontinued business following its sale subsequent to the year end.

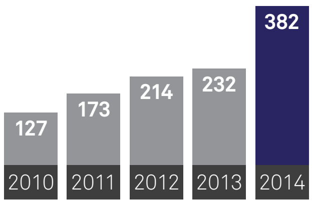
Dividend
The Board is proposing a final dividend of 3.50p per share, increasing the full year dividend by 39% to 5.0p (2013: 3.60p). The dividend will be paid on 2 March 2015 to shareholders on the register as at 30 January 2015. The Board continues to grow dividends progressively.

Order Book
The Group's contracted order book at 30 September 2014 stood at £439m (2013: £364m), a 21% increase, with the Engineering Services order book up 20% to £361m (2013: £301m).

Acquisitions
During the year, the Group made two complementary acquisitions in Clarke Telecom Limited, a market leader in wireless telecoms infrastructure delivery, for £17.1m and Forefront Group Ltd, a leading provider in the gas infrastructure market, for £14.8m. These strategically

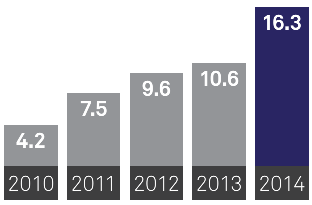
Engineering Services revenue £m

£382m



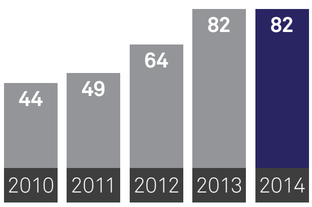
Engineering Services operating profit £m

£16.3m



Engineering Services % of Group revenue

82%



important acquisitions will be accretive to Renew's Engineering Services operating margin as we progress towards our target of 5% within this business segment, a key objective for the next financial year.

Disposal

Subsequent to the year end, the Group announced the disposal of Allenbuild Limited, the new build affordable housing part of the Group's Specialist Building business, to Places for People Group Limited ("PFP") for a total consideration of £2.75m payable in cash. PFP has acquired 50% of the issued share capital for £1.375m and will assume 100% ownership of Allenbuild after ten outstanding contracts, for which the Group retains the benefit, reach practical completion which is expected to be in about twelve months' time.

Cash

£24m of term loans were taken out to finance the Group's acquisitions. At the year end, net debt was £16.1m (2013: net cash £2.8m), which represents only 0.85 times 2014 EBITDA.

People

The Group prides itself on providing a safe and rewarding working environment for its highly skilled directly employed work force. Our results and ongoing success are a testament to the skills, hard work and commitment of all of the Group's employees and the Board would like to take this opportunity to express its gratitude.

Outlook

The Group enters the 2014/15 financial year in a strong position. In Specialist Building, the Group concentrates on the High Quality Residential market in London and the Home Counties.

Our expertise is in the fit out and refurbishment of prestigious private residential projects, specialising in developing engineering solutions for major structural alterations.

In Engineering Services, the Group has made excellent progress in expanding its position as a leading provider of engineering support services in the UK's Energy, Environmental and Infrastructure markets with strong organic growth coupled with two acquisitions into new markets. We operate in markets mainly governed by regulation that undertake long term programmes of essential non-discretionary spending to maintain critical infrastructure assets. The Group continues to focus its activities on these programmes which deliver good visibility of future opportunities, margin enhancement potential and sustainable earnings streams.

It remains the Board's strategy to continue to grow its Engineering Services business, both organically and through selective acquisitions. The Board's ambition is to grow Group revenue to over £500m delivering a Group operating margin of over 4.5% within the next three years.

The excellent organic and acquisitive growth achieved in the year along with its record order book gives the Board every confidence that the Group will continue to deliver on its strategic targets.

R J Harrison OBE
Chairman
25 November 2014

Developing as a leading provider

B W May
Chief Executive

Summary

- Renew has continued to enhance its market position as a provider of multidisciplinary Engineering Services.
- During the year, the Group acquired two Engineering Services businesses which are leading brands in their respective markets.
- The Engineering Services order book has grown 20% to £361m.

Renew has continued to enhance its market position as a provider of multidisciplinary Engineering Services, successfully growing its Engineering Services both organically and by acquisition. Delivering long term maintenance and renewal services across the Energy, Environmental and Infrastructure markets, our highly skilled, directly employed workforce operates on the UK's essential infrastructure assets. Our offering is differentiated by the promotion of our independently branded subsidiary businesses which are aligned to the needs of their clients. In Specialist Building, our activity is now primarily focused on the High Quality Residential market in London and the Home Counties, which continues to see strong demand and in which we have many years of experience and an excellent reputation as a leading brand.

Engineering Services
Revenue in Engineering Services increased by 65% to £382.5m (2013: £232.4m) and accounts for 82% of Group revenue (2013: 82%) and 88% of Group operating profit before exceptional items and amortisation prior to central activities (2013: 89%), generating an operating margin of 4.3% (2013: 4.6%). The Engineering Services order book has grown 20% to £361m (2013: £301m).

During the year, the Group acquired two Engineering Services businesses which are leading brands in their respective markets. Clarke Telecom Limited ("Clarke"), a wireless telecoms infrastructure delivery business based in Manchester, which provides specialist services for the cellular market, was acquired in April. Forefront Group Limited ("Forefront"), which is based near London, operates across the gas network replacing strategic low and medium pressure mains, was acquired in August. Clients include National Grid and Southern Gas Networks.

These acquisitions establish the Group's position in additional and complementary engineering markets. Strong organic growth has been achieved through our service responsiveness and development of key relationships.

Energy
The Group operates nationally in the nuclear, traditional, renewable energy and gas infrastructure markets.

In Nuclear, we operate across the Nuclear Decommissioning Authority's estate where we are engaged on 9 sites that command around 80% of the £3bn annual expenditure. Over half of this spend is allocated to Sellafield, where we have operated for over 70 years and remain the largest mechanical, electrical and instrumentation employer on site. Our work concentrates on the support and care of operational plant associated with waste treatment or processing, decommissioning and clean up of redundant facilities.

Safety achievements at Sellafield include over 5 million man hours worked since a Lost Time Event and the award of Sellafield's 2014 Resident Engineers Safety Award for 'Outstanding Safety Performance'.

Work at the site has increased substantially during the year resulting in a 33% increase in our provision of resources at the site. Our operations include work on the Multi Discipline Site Works framework where we are aligned with the largest scope of work at the site, production operations support.

As part of the high hazard risk reduction operations at Sellafield, our service provision has again increased on the Evaporator Delta project which is now expected to provide over £80m of work through to its completion in 2015.
A number of frameworks have also seen

an increase in scope including the £26m Bulk Sludge Retrievals framework and the Decommissioning framework where we are involved with some of the oldest facilities on site.

The Infrastructure enhancement programme at Sellafield continues with the Site Wide Asset Care framework where we operate as sole mechanical and electrical partner. We also continue to support the future Major Projects Programme at Sellafield where we have further developed our position as a key strategic partner on the £1.1bn Infrastructure Strategic Alliance framework.

Our work at Sellafield was recognised with the award of a supply chain accreditation for the second year running, demonstrating our ability to deliver to the highest quality standards in the nuclear industry.

Elsewhere, at Springfields where we have operated for 15 years, work has commenced for Westinghouse on a waste processing facility, following the recent successful completion of a large decommissioning and demolition project at the site. We have also been recently appointed to support reactor outage works at the Heysham nuclear power station. We remain committed to developing our position as a specialist contractor, continuing to support proposals within the nuclear new build market where we have initially focused on the manufacture and supply of high integrity fabricated components.

Our service teams deliver long term maintenance and asset renewal services at five of the UK's traditional power stations as well as progressing a number of opportunities in the renewable energy market including hydro schemes for Welsh Water.

The acquisition of Forefront extends our range of services into the specialist gas infrastructure market. Forefront operates for National Grid and Southern Gas Networks on the 30/30 iron mains replacement programme through frameworks and also on the London medium pressure strategic gas mains replacement programme. Forefront has frameworks for specialist flow stopping, drilling and maintenance. Although Forefront also has been part of the Group for only a few months, opportunities for collaborative working with other parts of the Group have already been identified and are being progressed.

Environmental

The Group operates in the water infrastructure, flood alleviation, river and coastal defence and land remediation markets providing operational support and maintenance services.

In Water, we continue to develop our long standing relationships with our largest clients Northumbrian Water, Wessex Water and Welsh Water where we deliver works under the regulated AMP 5 programme. We operate on a number of frameworks for Northumbrian Water including the Major Waste Water, Clean Water, Maintenance and Trunk Mains Cleaning frameworks. We were selected as one of two preferred partners to deliver the accelerated flood alleviation workstreams that have seen substantial investment in the period. We also undertake planned and reactive maintenance, sewer lining and infrastructure upgrades under their Minor Works framework.

Chief Executive's review continued

Engineering Services continued

Environmental continued

We have maintained 'Best Performing Contractor' status with both Wessex Water and Welsh Water in the period. Wessex Water frameworks include Workstream Partner and Minor Civils frameworks. For Welsh Water we work on the Pressurised Pipelines framework, which has recently been extended for two years, and also the Major Civil Engineering Projects frameworks.

We have developed our relationship with the Environment Agency with the award of the £10m MEICA framework for the Northern region. This exclusive framework covers over 600 flood control and water management sites throughout the region and will run for 4 years to March 2018.

In Land Remediation our long term relationship with National Grid continues as we undertake work on established remediation frameworks nationally. We have recently been awarded the Land Quality Services framework with Magnox for the design and construction of land remediation services on decommissioned nuclear power generation sites across the UK. Work is currently underway on the Scotia Gas Networks 8 year framework that will generate opportunities across Scotland and the South East of England until 2021.

Infrastructure

In the Rail sector, Renew provides off-track asset renewal and maintenance services nationally as well as a 24/7 emergency services to the rail network.

During 2014, AMCO Rail has responded to the challenges posed by the effects of last winter's severe weather and additional works provided by the Government's Fiscal Stimulus into the rail network. This has provided almost £65m of non-recurring revenue in the year in addition to underlying organic growth of 17%. AMCO Rail is increasingly recognised by Network Rail for its responsiveness to short term, low cost critical tasks and this is demonstrated by 5,000 individual remits carried out during the year on the Asset Management frameworks across the network. AMCO Rail is now one of the top 10 suppliers to Network Rail.

Our success in responding to and managing this additional workload has been recognised by Network Rail appointing AMCO Rail to seven Infrastructure Projects frameworks for Control Period 5, with an advertised value of £450m over the next five years.

Key projects carried out in the year included the reinstatement of the Dawlish Sea Wall, which was completed ahead of schedule enabling services to resume to Cornwall. Our specialist skills in tunnel and shaft maintenance and refurbishment saw us successfully complete major schemes at Holme Tunnel and Whiteball Tunnel, both of which were on time and within budget.

The acquisition of Clarke takes the Group into a new market. As a leading provider of wireless telecoms infrastructure services, Clarke's clients include all of the major wireless network operators and original equipment manufacturers. Integration with the Group has progressed well since acquisition and Clarke's order book has grown by over 10% since acquisition.

Specialist Building

Specialist Building results have been restated following the reclassification of Allenbuild Ltd as a discontinued business details of which are set out below.

Specialist Building continued
An operating profit of £2.2m (2013: £1.3m) was generated from revenue of £82.1m (2013: £50.6m), giving a margin of 2.6% (2013: 2.5%). Our Specialist Building order book stands at £78.1m (2013: £62.5m). In the High Quality Residential market in London and the Home Counties, we have over 50 years of experience and specialist engineering expertise in carrying out major structural alteration works including extensions below the ground. During the year, we completed projects for private clients at Wimbledon Village and on the Wentworth Estate, Surrey. Work is currently under way to demolish and reconstruct a substantial country home in Burnham Beeches and on a Grade II listed residence in London's Belgravia district.

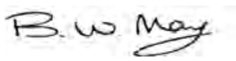
Subsequent to the year end, we announced the sale of Allenbuild Ltd, our subsidiary business which focused on the new build affordable housing market, to Places for People Group Limited ("PFP"). PFP has acquired 50% of the issued share capital for £1.375m and will assume 100% ownership of Allenbuild after ten outstanding contracts, for which the Group retains the benefit, reach practical completion which is expected to be in about twelve months' time. PFP will have the benefit of four new contracts and any further work which is now procured.

People
Our commitment to the safety of our employees and those who work with us remains a priority for everyone at Renew. The changing nature of our operations into smaller, high volume tasks has seen an increase in behavioural safety training, alongside a wide range of safety initiatives, undertaken over the year. We are pleased to report a cumulative reduction in our Accident Incidence Rate of more than 90% over the last 9 years.

Summary
Our Specialist Building business has demonstrated its ability to deliver consistent profits and is well positioned with a strong order book.

In Engineering Services, our range of capabilities and responsiveness to our clients' needs sees us operate on some of the largest programmes of work to maintain key infrastructure assets in the UK.

We are strongly positioned in sustainable markets which are mainly regulated and which benefit from long term spending programmes. This will continue to provide opportunities for further profitable growth.



B W May
Chief Executive
25 November 2014

Financial review

Dividend growth of 39%

Summary

- A final dividend of 3.5p (2013: 2.5p) per share brings the total for the year to 5.0p (2013: 3.6p).
- Subsequent to the year end, the Board reached an agreement to sell Allenbuild Limited.

Results
Group revenue from continuing activities was £464.5m (2013: £282.7m) with an operating profit before tax from continuing activities of £16.4m (2013: £10.0m) prior to exceptional items and amortisation charges and the loss from the discontinued operation. A tax charge of £3.3m (2013: £2.3m) resulted in a profit after tax for the year of £12.8m (2013: £7.4m) prior to exceptional items and amortisation charges and the loss from the discontinued operation. After tax, exceptional items and amortisation, the profit for the year from continuing activities was £10.3m (2013: £10.0m).

Restatement of 2013 results
As a result of both the adoption of IAS 19 (2011) and the treatment of Allenbuild Limited as a discontinued business in accordance with IFRS 5, there has been a restatement of the 2013 results.

Discontinued operation
Subsequent to the year end, the Board reached an agreement to sell Allenbuild Limited to Places for People Group Limited ("PFP") for a total consideration of £2.75m payable in cash. PFP acquired 50% of the equity on 31 October 2014 for £1.375m and will acquire the balance of the shares when ten outstanding partly completed contracts reach practical completion. This is expected to be in about a year's time. During the joint ownership period, Renew will retain the benefit of those contracts and PFP will enjoy the benefit of new work procured. Allenbuild Limited is a business focused on the new build affordable housing market and as such was not core to the Group's strategy to develop its Engineering Services business. In accordance with IFRS 5, the results of Allenbuild Limited have been treated as a discontinued business resulting in the restatement of the 2013 Income Statement and its disclosure in "Assets held for Resale" on the Consolidated Balance Sheet.

Exceptional items
Exceptional items recognised during the year comprise £0.8m of costs incurred in relation to the acquisitions of Clarke Telecom Limited and Forefront Group Limited. Additionally, £2.2m (2013: £0.5m) of amortisation charges relating to the intangible assets arising from the Amco, Clarke, Lewis and Forefront acquisitions were incurred.

Acquisitions
During the year, the Group completed the acquisitions of Clarke Telecom Limited and Forefront Group Limited for a combined consideration of £32.9m inclusive of costs, payable in cash. These acquisitions were funded by a £24m term loan which is repayable in equal quarterly instalments of £1.55m, the last instalment of which is due to be paid on 31 March 2018. £8.9m of the Group's own cash resources were also deployed in these transactions. In March 2014, the final instalment on the Group's previous term loan which had been used to acquire Amalgamated Construction Limited was repaid.

The Group's profitability together with further improved working capital generation, has led to our reporting a cash balance of £5.6m (2013: £5.3m) at the year end. As a result, the Group's net debt position as at 30 September 2014 was £16.1m (2013: net cash of £2.8m). The Group has complied with the covenants associated with the term loans throughout the year.

Pension schemes
The IAS 19 valuation of the Lovell Pension Scheme, which was closed to new members in 2000, has resulted in a small accounting surplus of £0.6m (2013: deficit of £2.8m) after accounting for deferred taxation. In 2011, the Board, in conjunction with the Trustees of the Lovell Scheme, completed a buy-in of part of the pensioner liabilities of the scheme. This measure, which was completed without any further cash contribution to the scheme by the Group, has reduced the risks associated with those liabilities and, at the year end, the annuities purchased represent 30% of the scheme's total liabilities. In accordance with the scheme specific funding requirements of the Pensions Act 2005 and, following the triennial valuation of the scheme which was carried out as at 31 March 2012, the Board has an agreement with the Trustees of the scheme on the level of future contributions which are currently approximately £2.9m per annum. The next triennial valuation is due as at 31 March 2015.

The IAS 19 valuation of the Amco Pension Scheme shows a surplus of £0.6m (2013: £0.8m) after accounting for deferred taxation. In 2013, the Board, in conjunction with the Trustees of the Amco Scheme, completed a buy-in of part of the pensioner liabilities of the scheme. This measure, which was completed without any further cash contribution to the scheme by the Group, has reduced the risks associated with those liabilities and, at the year end, the annuities purchased represent 51% of the scheme's total liabilities. In accordance with the scheme specific funding requirements of the Pensions Act 2005 and, following the triennial valuation of the scheme which was carried out as at 31 December 2010, the Board has an agreement with the Trustees of the scheme on the level of future contributions which are currently £0.2m per annum. The next triennial valuation, which will be measured as at 31 December 2013, is currently being carried out by the scheme actuary.

As a result of the adoption of IAS 19 (2011), approximately £0.4m of costs are now charged to Administrative expenses in the Income Statement. These were previously treated as a contribution to the pension scheme and accounted for in the Statement of Comprehensive Income.

Taxation
The UK tax charge on profit for the year is £3.7m (2013: £3.3m). The deferred tax charge of £1.2m (2013: £1.2m) is wholly offset by deferred tax attributable to the discontinued business resulting in a tax charge on continuing activities of £2.7m (2013: £3.1m). This represents an effective Group tax rate of 20.8% (2013: 23.6%). Following the sale of Allenbuild Limited, the Group's available tax losses have been reduced although, due mainly to the tax deductibility of pension scheme contributions which are not charged to the Income Statement, the rate of corporation tax payable in each of the next few years is expected to remain below the headline rate.

Distributable profits
The distributable profits of Renew Holdings plc stood at £27.9m (2013: £20.5m) enabling the Board to recommend a final dividend of 3.5p (2013: 2.5p) per share bringing the total for the year to 5.0p (2013: 3.6p), an increase of 39%.

J Samuel
Group Finance Director
25 November 2014

Operational review

This section looks at the Group's target markets and highlights our achievements during the year.

In this section

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Paul Scott
Engineering Services Director

Renew concentrates on delivering Engineering Services in the Energy, Environmental and Infrastructure markets. Our work in areas such as rail, nuclear, water, telecoms and gas sees us operating nationally for high profile clients where our service teams undertake a wide range of essential maintenance and renewal tasks, ensuring continuity of service of some of the UK's critical infrastructure assets.

The markets in which we operate provide the Group with good visibility of future opportunities. The work we undertake is often delivered through long-term framework agreements. Our position on these frameworks, a large number of which extend over many years, is established through our responsiveness to clients' needs and a safe and consistent service delivery. 2014 has seen a number of these key frameworks renewed.

We focus on our key relationships and extending our Engineering Services capabilities to increase our opportunities in areas of non-discretionary Infrastructure spending in the UK. We have seen good progress in our strategy of developing Engineering Services through 2014, where we have extended our range of services with two complementary acquisitions in Clarke Telecom and Forefront Group. Development of our collaborative solutions remains a key strategic target for the coming year.

This Operational Review looks at our achievements in 2014 and outlines our objectives for the coming year which, alongside the Group's strategy, gives the Group a strong platform for growth over the medium and long term.

P Scott
Engineering Services Director
25 November 2014

Nuclear

We deliver a range of integrated Engineering Services to the nuclear industry. Our work concentrates on high hazard risk reduction operations, supporting the maintenance and decommissioning of operational plant.

Expertise

- Nuclear operational support and asset care
- Critical planned and reactive maintenance and renewals
- Civil, mechanical and electrical engineering services
- Nuclear decommissioning
- Specialist fabrication and manufacturing

Opportunity

The Nuclear Decommissioning Authority ("NDA") is responsible for the cleanup and waste management of the UK's nuclear legacy. With 17 sites nationally, the NDA's total planned expenditure for 2014/15 is around £3bn. Over half of this is allocated to Sellafield where work continues to focus on high risk and high hazard reduction operations.[1]

An estimated investment of around £60bn is expected in new nuclear power stations in the UK by 2030 as most of the existing fleet of nuclear power stations are retired.[2]

How we respond

Our operations principally focus on the ongoing programmes of high hazard risk reduction, engineering support on the care and maintenance of operational plant associated with waste treatment or processing, decommissioning, demolition and cleanup of redundant facilities where our engineering services are delivered by our directly employed multi-skilled operatives. We continue to differentiate ourselves through the integration of generation, grid and decommissioning services.

Our progress in the UK nuclear market

- We are strongly positioned across the NDA portfolio, on 9 nuclear licensed sites, that command around 80% of the total site expenditure.
- We remain the largest mechanical, electrical and instrumentation employer on site at Sellafield where we have operated for over 70 years. During the year we increased our resources at the site, where we operate on 9 frameworks, by 33%.
- We have seen increasing workload as 1 of 3 preferred strategic partners on the Multi Discipline Site Works framework at Sellafield where we undertake work packages potentially worth £280m over 4 years. We are aligned with the largest scope of work at the site, production operations support.
- At Sellafield our service provision has again increased on the Evaporator Delta project which is now expected to provide over £80m of work through to its completion in 2015.

1,2 See page 7 for footnotes.

- Framework activity at Sellafield includes work on the £26m Bulk Sludge Retrievals framework recently extended by 1 year to 2015 and the Decommissioning framework where we are involved with some of the oldest facilities on site.
- As part of the Infrastructure enhancement programme at Sellafield we undertake work on the Site Wide Asset Care framework as sole mechanical and electrical partner.
- We continue to support the future Major Projects Programme at Sellafield where we have further developed our position as a key strategic partner on the £1.1bn Infrastructure Strategic Alliance framework.
- We have undertaken 5 million man hours since a Lost Time Event at Sellafield where our safety achievements include the award of the 2014 Resident Engineers Safety Award for “Outstanding Safety Performance”.
- For the second year running we have been awarded Sellafield’s Supply Chain accreditation demonstrating our ability to deliver the highest quality standards in the nuclear industry consistently.
- We continue to progress development of our position as a specialist contractor supporting proposals within the nuclear new build market where we have initially focused on the manufacture and supply of high integrity fabricated components.
- Elsewhere in nuclear, at Springfields, work is underway for Westinghouse on a waste processing facility project which follows the recent successful completion of a large decommissioning and demolition project at the site where we have operated for 15 years.
- We were recently appointed to support reactor outage works at the Heysham nuclear power station.
- We currently operate on 5 of the 10 Magnox nuclear sites on an Electrical, Control and Instrumentation framework.
- Successfully completed projects in the year include the electrical overlay scheme at Dungeness ‘A’ power station for Magnox Ltd.

Traditional, renewable and gas infrastructure

We provide long-term maintenance and asset renewal support at many of the UK's traditional power generation plants through established framework agreements.

Expertise

- Operational support and asset care in the traditional and renewable energy markets
- Critical planned and reactive maintenance and renewals
- Civil, mechanical and electrical engineering
- Gas distribution network asset maintenance, replacement and installation
- Specialist flow stopping, drilling and internal inspection

Opportunity

As demand for energy increases, it is likely that the life of some of the UK's existing traditional generation assets will be extended, requiring investment in long-term maintenance programmes.

Demand for renewable energy is expected to increase following the government's commitment to deliver 15% of the UK's energy consumption from renewable sources by 2020.[3]

As part of ongoing improvements to the gas network, the UK is currently undertaking a number of essential gas network asset replacement programmes. Following concerns over iron gas mains safety, the Health and Safety Executive has implemented the national Iron Mains Risk Reduction Programme to replace gas mains within 30 metres of a building by 2032 or earlier.[4]

How we respond

Operating at the UK's traditional power plants, our directly employed service teams provide long-term maintenance and asset renewal support. Our integrated mechanical, electrical and civil engineering solutions assist in the continued operation of these key infrastructure assets.

We work for clients across the gas distribution network replacing low and medium pressure and other complex strategically important gas mains. Clients include tRIIO, a strategic partner of National Grid, and Southern Gas Networks. Operating as one of the major service providers in the south of England our directly employed 350 strong workforce repairs, replaces and maintains over 150km of gas mains per annum.

3,4 See page 7 for footnotes.

Our progress in traditional, renewable and gas infrastructure markets in the UK

- We operate at 5 of the UK's traditional power stations for clients E.ON, Eggborough Power Limited and SSE where our service teams deliver long-term maintenance and asset renewal services.
- Our operations in both the on and offshore wind energy market continue to progress including projects for offshore repairs and a recently secured manufacturing opportunity.
- We continue to support the development of hydro schemes for a number of clients including Welsh Water.
- We successfully extended our range of services into the specialist gas infrastructure market with the acquisition of Forefront Group.
- We currently undertake 150km of gas main replacement per year across Southern Gas Network and National Grid's distribution networks as part of the 30/30 iron mains replacement programme.
- Appointed on stage 1 of a 15 year strategic replacement programme of large diameter medium pressure gas mains in central London.
- Additional frameworks with tRIIO cover specialist flow stopping, drilling and maintenance.
- We also undertake emergency leakage repairs for National Grid.

Water

The Group has extensive expertise in water infrastructure development and maintenance, flood alleviation and river and coastal defences where a large portion of work is procured under long-term framework agreements, many of these with repeat clients.

Expertise

- Operational support and asset care to the water industry
- Critical planned and reactive maintenance and renewals
- Civil, mechanical and electrical engineering
- Maintaining strategic water mains and main drainage
- Clean and waste water rehabilitation infrastructure
- Flood alleviation and attenuation
- Port, harbour and sea defences

Opportunity

UK water companies, regulated by the Water Services Regulation Authority ("Ofwat"), undertake large scale investment programmes to maintain and renew their water and sewerage infrastructure assets. Work on Asset Management Programme 6, the next 5 year regulatory period in the water industry, is due to commence in April 2015 and will focus on maximising the efficient use of existing assets through integrated solutions.

The UK government has made an unprecedented six year commitment to invest record levels in improving flood defences up to 2021.[5]

How we respond

As a multidisciplinary service provider we undertake a wide range of water infrastructure development work mainly under long-term framework agreements, many of these with repeat clients in the North East, Wales and the South West. We partner on frameworks delivering improvements to the water infrastructure network where our work includes mains replacement, upgrades to the sewer network and storm water retention schemes.

The Group has specialist capabilities in innovative trunk mains cleaning of the underground water pipe network. Work is carried out by our highly trained directly employed workforce utilising our extensive specialised plant fleet.

5 See page 7 for footnotes.

Our progress in the UK water market

- We continue to develop long standing relationships with Northumbrian Water, Wessex Water and Welsh Water, for which we deliver works under the regulated AMP 5 programme.
- We operate on a number of frameworks for Northumbrian Water including the AMP 5 Major Waste Water framework and Clean Water frameworks as well as on non-discretionary Maintenance and Trunk Mains Cleaning frameworks.
- During the year we were selected as one of two preferred partners by Northumbrian Water to deliver the accelerated flood prevention work streams which have seen substantial investment in the period.
- Work continues on the Framework 4 Minor Works framework which sees us undertake planned and reactive maintenance, sewer lining and infrastructure upgrades for Northumbrian Water.
- Innovation on Northumbrian Water's Trunk Mains Cleaning frameworks including ice pigging techniques has delivered time and cost efficiencies.
- Work continues to develop our position on Northumbrian Water's AMP 6 programme of works, having worked on all previous AMP programmes.
- The integration of Lewis Civil Engineering, acquired in 2013, has been very successful and extends our range and capabilities in the water market.
- Lewis also adds a particular specialism to the Group with their expertise in trenchless technology.
- We have maintained "Best Performing Contractor" status with both Wessex Water and Welsh Water in the period.
- Successfully completed projects include a major project at Taunton for Wessex Water.
- Wessex Water frameworks include Workstream Partner and Minor Civils.
- Frameworks for Welsh Water include the Pressurised Pipelines framework, recently extended for two years, and the Major Civil Engineering Projects frameworks.
- We have developed our relationship with the Environment Agency with the successful award of the £10m MEICA framework for the northern region. This exclusive framework covers over 600 flood control and water management sites throughout the region and will run for 4 years to March 2018.

Land remediation

Renew is a leading provider of sustainable land remediation services nationwide with over 30 years' expertise in specialist soil and groundwater remediation and associated earthworks.

Expertise

- Operational support and asset care in the land remediation market
- Critical planned and reactive maintenance and renewals
- Civil, mechanical and electrical engineering
- Soil and groundwater remediation

Opportunity

The Homes and Communities Agency ("HCA") is responsible for the disposal of publicly owned land, including former industrial land transferred from the former Regional Development Agencies.

The HCA Corporate Plan 2014–2018 includes specific targets in relation to the use of such legacy sites and funding arrangements to achieve economic growth, and to provide suitable and sufficient housing stock across the UK and to stimulate strategic inward investment.[6]

How we respond

We are a leading provider of sustainable land remediation services nationwide, developing and deploying a range of site based remediation techniques. We work to remove costs associated with the redevelopment of previously used land.

Our land remediation services concentrate on the enabling and infrastructure works to allow the HCA targets to be achieved. Our in-house capabilities include soil washing, biophysical treatment, solidification and stabilisation, enhanced segregation and geotechnical improvements. Our ability to recover up to 100% of soils and excavated materials, including manufacturing high value aggregates, on site can provide a sustainable and cost effective solution for our clients.

6 See page 7 for footnotes.

Our progress in the UK land remediation market

- Successful projects in the period include the delivery of a second major Commonwealth Games scheme for Clyde Gateway at Shawfields throughout 2013/14 involving the in situ treatment of contaminated ground water.
- We continue to develop our opportunities in Scotland. During 2014 we opened an office in Cumbernauld to further develop our presence in this region.
- Project awards in the period include schemes at Barnsley and Preston under the National Grid's Gasholder Dismantling and Infilling framework which provides opportunities to 2016.
- We have been awarded the Land Quality Services framework with Magnox for the design and construction of land remediation services on decommissioned nuclear power generation sites across the UK.
- Our long-term relationship with National Grid continues as we undertake work on a number of established remediation frameworks nationally.
- Work is currently underway on the Scotia Gas Networks 8 year framework that will generate opportunities across Scotland and the South East of England until 2021.
- A number of collaborative projects between Group businesses were undertaken in the year including scour protection schemes.

Rail

Our specialist skills combined with our 24/7 emergency response services are undertaken nationally by our directly employed multi-skilled local delivery teams.

Expertise

- Off-track operational support and asset care
- Critical planned, reactive and 24/7 emergency maintenance and renewal services
- Civil, mechanical and electrical engineering
- Asset renewal and refurbishment
- Tunnel and shaft refurbishment
- Bridges, structures and earthworks
- Moving structures

Opportunity

Demand for rail services is anticipated to grow by more than 30% over the next decade.

To meet this challenge Network Rail are investing around £38bn over the next five years to 2019 (CP5) on running, maintaining and improving Britain's railway which includes some 30,000 bridge, tunnel and embankment assets.[7]

How we respond

As part of this long-term programme of works, our business is closely aligned to deliver a high volume of small value tasks across the rail network including civil, mechanical and electrical engineering and maintenance services nationally in this regulated market.

Our strength lies in our flexibility and ability to deliver a variety of integrated and sustainable solutions for our clients who include Network Rail, train operating companies and major contractors within the rail industry.

Our specialist skills combined with our 24/7 emergency response services are undertaken by our directly employed multi-skilled local delivery teams.

7 See page 7 for footnotes.

Our progress in the UK rail market

- We have seen another record year for our work in Rail with a substantial increase in activity across the entire work portfolio with Network Rail.
- We secured a position on Network Rail's Infrastructure Projects frameworks under CP5 for the Central, North East and Scotland regions which will see us deliver an extensive portfolio of renewals, maintenance and enhancements, with an advertised value of £450m, over the next 5 years.
- We continue to align our business with our largest client Network Rail's operational structure, resulting in increased opportunities.
- Workload increased on our national Asset Management frameworks for Network Rail during 2014 where we undertook approximately 5,000 individual remits over the period.
- We undertook work on the Building and Civils Delivery Partnership for Network Rail across all 4 Infrastructure Projects delivery regions.
- As part of Control Period 4 we secured a large portion of the investment on the Economic Stimulus Programme, a government initiative to stimulate the economy in various regions.
- Working nationally across the rail network our local delivery teams continue to provide a 24 hour emergency response service for Network Rail which has seen substantial demand in the period including emergency works at Dawlish in Devon where storms caused extensive damage to the track and surrounding infrastructure.
- Our specialist skills in tunnel and shaft maintenance and refurbishment saw us successfully complete major schemes at Holme Tunnel and Whiteball Tunnel for Network Rail.

Wireless telecoms

We provide Engineering Services encompassing all aspects of wireless telecoms infrastructure delivery including site acquisition and design, construction, installation and site optimisation as well as site maintenance and decommissioning.

Expertise

- Operational support and asset care in the UK wireless telecoms market
- Critical planned and reactive maintenance and renewals
- Civil, mechanical and electrical engineering
- Wireless telecoms installations
- Specialist indoor wireless coverage solutions
- Special events temporary cellular network coverage
- Provision of 2G, 3G, 4G and Wi-Fi technologies

Opportunity

Research undertaken for the market regulator, Ofcom, estimates that demand for mobile data could be as much as 80 times higher than today by 2030 as the market continues to expand, with growth largely driven by the increasing use of mobile devices and internet services.

As demand for service on the existing mobile network infrastructure increases, substantial investment is expected to add new infrastructure, upgrade existing networks and decommission redundant assets. Ofcom set a 2017 deadline for network operators to provide comprehensive 2G, 3G and 4G coverage across the country.[8]

How we respond

We provide specialist wireless infrastructure services for the UK's cellular network operators and major network equipment manufacturers where our work includes the acquisition, design and construction of sites, the installation and commissioning of the equipment and connection to the networks. We undertake all aspects of site maintenance and decommissioning with the majority of work contracted through framework agreements.

8 See page 7 for footnotes

Our progress in the UK wireless telecoms market

- The acquisition of Clarke Telecom expands our range of services into the wireless telecoms infrastructure market.
- As a leading provider of wireless telecoms infrastructure services we remain one of the top performing contractors with all of our customers such as Cornerstone Telecommunications Infrastructure Ltd and Mobile Broadband Network Limited, joint ventures between the network operators which see them consolidate their UK asset portfolios carrying the O2, 3, Vodafone and EE networks.
- We work on the EE network where we continue with the 2G and 4G upgrade rollout of low capacity sites.
- Work continues on the roll-out of Ericsson 4G equipment to network operators' main sites in London.
- We are sole supplier for 4G overlay for Ericsson as the only approved service provider.

High quality residential

Recognised as a leading quality provider in the fit-out and refurbishment of prestigious private residential projects in and around London with specialist skills in developing engineering solutions to both extend properties below ground and to carry out major structural alterations.

Expertise

- Refurbishment of prestigious private residences
- Specialist temporary works design and engineering
- Major structural works both above and below the ground

Opportunity

The high quality residential market in London and the Home Counties remains strong with improved visibility. We have particular specialist engineering expertise in carrying out major structural alteration works.

This market requires knowledge and experience. Walter Lilly has a strong brand and an excellent reputation developed over many years in this market.

How we respond

We focus on the high quality residential market in London and the Home Counties. We are recognised as a leading quality provider with expertise in fit-out and refurbishment of prestigious private residential projects in and around London. Our particular skills in listed and historical buildings and challenging structural works provide a differentiator in this market.

Our in-house specialist temporary works design and engineering capabilities are able to provide innovative solutions when extending properties below ground and carrying out major structural alterations. Our other services include design management, planning, traffic management and logistics support as well as expertise in specialist finishes.

Our progress in the UK high quality residential market

- Completed projects include a 4 storey extension project in Wimbledon Village and a £9m project on the Wentworth Estate, Surrey both for private clients.
- A £6m residential fit out project for a private client was also completed at the Manresa Road Development in Chelsea.
- Work is under way on a £6.7m project to demolish and reconstruct a substantial country home in Burnham Beeches and on an £8.2m Grade II listed residence in London's Belgravia district to consolidate two apartments.
- We have secured in excess of £60m of projects for the 2014/15 period.


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Board approval

This Strategic Report was approved by the Board on 25 November 2014 and is signed on its behalf by:

B.W. May

B W May
Chief Executive
25 November 2014

Committed to our social and environmental responsibilities

We balance our operations with consideration for our environment and the communities in which we operate.

Renew's corporate social responsibility in 2014

We strive to ensure our activities are carried out with sensitivity, limiting their impact whilst seeking to maximise the benefits of our work, beyond compliance with minimum legal requirements. Our responsibility to our employees, the communities in which we operate, as well as our clients, consultants and supply chain is integral to the work we undertake.

Community engagement and charitable giving

Our businesses recognise the importance of becoming valued members of the communities in which they operate and our teams work hard to engage with local communities and build relationships. The impact of our work on the local community is carefully considered in a project's design and planning stages with consultation and communication undertaken as necessary. Many of our sites use channels such as notice boards and newsletters to keep local people informed.

Getting involved in the community extends beyond that of our commercial operations. During the year our businesses have been involved with many schemes, volunteering both time and resources as well as financial assistance to various community projects. At VHE, the Shawfields project team in Scotland helped a local school by installing foundation pads for a new school cabin. VHE also sponsored Hoyland Magpies under-11 football team in the year.

Clarke Telecom has sponsored a number of local sports groups who provide activities and learning opportunities within the community as well sponsoring kit for the AFC Oldham Ladies 2013–14 season.

Further afield, a number of graduates and trainees from Walter Lilly took part in the "All Out Africa: Build a Future" project where volunteers travel to Swaziland, South Africa, to help rural communities undertake building projects.

Shepley Engineers supports a range of community schemes in Cumbria as well as volunteering apprentices to work on projects for the Calvert Trust. Also supporting the Calvert Trust, Seymour completed the 2014 "Kielder Quest", an annual corporate fundraiser where the team competed in a series of physical and mental challenges against other organisations from the region. Britannia Construction signed up to the Armed Forces Corporate Covenant where businesses show their support for the armed forces community. Volunteers from Seymour's Trunk Mains Cleaning team as part of Northumbrian Water's "Just an hour" initiative, worked on a scheme to assist in the cleanup of Sugley Dene in Newcastle upon Tyne.

Many of our businesses undertook fundraising work for their chosen charities during the year. At Walter Lilly, staff and consultants participated in a Cyclothon event raising money for the Butterfly Tree Children's Charity and the Rugby Football Union Injured Players Foundation. At VHE employees raised money for a number of charities including the Macmillan Charitable Trust.

Shepley Engineers supported the Cumbria Community Foundation that raises money to help improve the quality of life for disadvantaged people in the local community. Britannia Construction supported the Milestone School in Gloucester, a community special school that provides for children with special educational needs, as well as GEAR Projects, a charity helping homeless people in the Gloucester area.

As corporate partner to the Hartlepool and District Hospice, Seymour organised a number of fundraising events including a charity ball and a gruelling 2 day, 153 mile coast to coast cycle ride from Cumbria to Hartlepool. Clarke Telecom supported Children In Need, raising money through cake bakes and "Pudsey Email Bingo" as well as supporting Dr Kershaw's Hospice, a local charity that provides a specialist care facility for adults with life limiting illnesses. At AMCO, site teams raised money for various charities throughout the year including Help for Heroes. Lewis participates in the "Wessex for West Africa" initiative, a scheme designed to raise money for WaterAid.

Other charities supported across the Group in the year include the British Heart Foundation, Guide Dogs, Royal National Lifeboat Institution, Yorkshire Air Ambulance, Bradford Toy Library and Resource Centre and Ilkley Candlelighters.

Corporate social responsibility continued

Safety

Our commitment to improving the safety performance of our operations continued throughout 2014 and remains a key focus for the Group. Ensuring the safe working practices of our employees, subcontractors and those who work with us underpins the work we undertake and 2014 saw us consolidate a nine year improvement in our accident incidence rate to over 90%.

Safety is managed across Renew by the Safety and Environmental Management Group which co-ordinates activities and liaises with our team of locally based safety advisors. Working as part of an overall safety team our advisors are encouraged to share specialist knowledge and best practice from their individual, often unique, working environments. One of the most challenging areas the Group operates in is the nuclear environment. We have completed over 5 million man hours of operations at the Sellafield Site in Cumbria since a lost time accident. Safety achievements were recognised by Sellafield with the award of the 2014 Resident Engineers Safety Award for "Outstanding Safety Performance" to our subsidiary, Shepley Engineers. Elsewhere we have undertaken 11 years at Magnox sites in the UK and 15 years on E.ON UK sites without a lost time accident.

The ongoing work to improve our safety performance includes various initiatives which reflect the specialist environments in which our businesses operate. The changing nature of our activities, with an increase in smaller teams often working remotely, has been recognised by an increased emphasis on behavioural safety training during the year. Schemes are designed to support the development of our safety culture and encourage open discussion within the business, helping to identify where improvements can be achieved.

Examples of our safety initiatives include the continual monitoring of sites through cross business inspections and audits. Our businesses undertake safety workshops and campaigns such as our safety whiteboard and "You said, we did" schemes. Working closely with our client, our rail business has adopted Network Rail's "life saving rules" campaign as part of its safety culture. We implement ongoing programmes of safety and awareness training for employees and personnel who work alongside us. A number of our subsidiaries also present safety awards annually within their businesses to ensure safety remains the top of everyone's agenda.

It is important our subcontractors are engaged with our safety objectives and we work closely with them to align our safety cultures. Initiatives include our supplier safety forums which have been ongoing during 2014.

Many of our businesses continued to be accredited and approved with various health and safety schemes including the Contractors Health and Safety Assessment Scheme, ConstructionOnline and SAFEContractor.

92%

Cumulative reduction in accident incidence rate over the last 9 years

5 years

since a lost time accident at Sellafield

Environment and sustainability

We are committed to considering the environment in which we operate. We develop and apply systems of environmental management as an integral part of our operational practice alongside management reporting and control procedures. We work with industry bodies, business partners and other organisations to promote environmental care, increase our knowledge and disseminate best practice within our businesses.

Our business' environmental management systems provide a framework for establishing and reviewing objectives, monitoring and communicating our requirements as well as monitoring our environmental impact and are regularly assessed across all levels of our business. Environmental impacts such as the disposal of waste to landfill and the release of carbon emissions are measured and managed. Innovative working practices such as the use of "emissions buster" technology to reduce the use of generators and fuel on site with the automatic charging of battery packs to deliver power to site systems at night, produce efficiencies as well as quieter nights for local residents.

Schemes designed to encourage our employees and subcontractors to adopt sound environmental understanding and practices use a mixed programme of training and awareness which aims to instil behavioural change. Internally within our business, examples include initiatives to reduce emissions through the hire, lease and procurement of more efficient plant, equipment and motor vehicles, and through the use of energy from renewable sources within our offices. Externally, schemes include the assessment of subcontractors where performance against environmental targets are measured. All our businesses systems are accredited to ISO:14001.

"We develop and apply systems of environmental management as an integral part of our operational practice alongside management reporting and control procedures."

Employment and training

Our businesses provide a range of training and employment opportunities including occupational and professional apprenticeships, scholarships, work experience and management training programmes in partnership with the local communities in which they operate.

VHE offers employment to a number of geo-environmental and quantity surveying students during their placement year as well as apprenticeships.

Recognising the need for investment in traditional electrical and mechanical engineering skills, Shepley Engineers and AMCO continue to extend their craft apprenticeship training programmes.

Walter Lilly remains committed to encouraging young people into the industry and has now been successfully sponsoring students from Loughborough University for over 15 years; disciplines include design management, construction management and quantity surveying. Walter Lilly also provides work experience opportunities for year 11 and 12 pupils from three local schools in the Croydon area.

Britannia Construction undertakes civil engineering apprenticeships, offering formal training to develop industry skills and experience.

Seymour continues as part of a memorandum of understanding between St. Hild's School, Hartlepool College of Further Education and Construction Skills that supports pupils and staff through placement and promotes civil engineering. Seymour has also seen 9 engineers successfully complete the Institute of Civil Engineering Technician qualification.

At VHE and Clarke Telecom, employees undertake ongoing programmes of training including specialist equipment training relevant to their site experience.

"Many of our businesses demonstrate sustainable working practices employing local people on their projects."

Awards

Royal Society for the Prevention of Accidents ("RoSPA")

- VHE awarded a RoSPA President's Award for the third year running following twelve consecutive Gold awards.
- PPS Electrical Ltd awarded a President's award in recognition of achieving 14 Gold awards.
- Shepley Engineers awarded a RoSPA sector commendation.
- West Cumberland Engineering awarded a second RoSPA Gold award.
- Britannia Construction awarded a Gold Medal in recognition of achieving 5 consecutive Gold awards.

Other awards

- A team which included Seymour and a number of Northumbrian Water suppliers, took the top award at the Institute of Civil Engineers' North East Robert Stephenson Awards in the Under £4m category for a project at Barkers Haugh sewage treatment works in Durham.
- PPS Electrical Ltd was awarded the 2014 Sellafield Resident Engineers Safety award for "outstanding safety performance" at the Sellafield site in Cumbria.
- Clarke Telecom has won a prestigious British Safety Council International Safety Award for 2014. This award is given to organisations in recognition of their proven commitment to workplace health and safety.
- Lewis Civil Engineering was presented with a Highly Commended Award for Best Innovative Idea at the Dwr Cymru Welsh Water Occupational Health and Safety Conference 2014.
- AMCO's Holme Tunnel project won the "Civil Engineering Achievement of the Year" award at this year's prestigious National Rail Awards.
- Seymour won the customer focus category at Northumbrian Water's "Going the Extra Mile" Awards 2014 for the Benfieldside Road Flood Protection Scheme in Consett.
- AMCO was awarded Network Rail's Star Lite award for a pumping station project in Sudbrook. The award recognises high levels of health, safety and environmental risk control.

Directors' report

The Directors present their report and the audited accounts for the year ended 30 September 2014.

Principal activities
For the year ended 30 September 2014 the principal activity of the Group was as contractors in Engineering Services and Specialist Building. The main activities are carried out in the United Kingdom with some development activities in the USA. More details of these activities, the year's trading and future developments are contained in the Chairman's Statement, the Chief Executive's Review, the Strategic Report and the Financial Review. A list of the principal operating subsidiaries of the Group as at 30 September 2014 is listed in Note R to the Company's financial statements.

Results and dividends
The Group profit for the year after accounting for discontinued operations was £5,182,000 (2013: £8,472,000). The Directors recommend the payment of a final dividend on the Ordinary Shares of 3.5p (2013: 2.50p) giving a total for the year of 5.0p (2013: 3.60p).

Business review
Information that fulfils the business review requirements applicable to the Group can be found in this report, the Chief Executive's Review and the Strategic Report and is incorporated into this report by cross reference.

Derivatives and other financial instruments
The Group's principal financial instruments comprise bank loans, cash and short-term deposits and obligations under finance leases. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial instruments such as trade receivables and trade payables that arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk.

Interest rate risk
Interest bearing assets comprise cash and bank deposits and earn interest at floating rates. The Group's bank loan and overdraft facility bear interest at floating rates.

Liquidity risk
The Group's policy is to ensure availability of operating funds by maintaining an appropriate cash balance in both current and deposit accounts and, when necessary, to establish appropriate levels of borrowing facilities to provide short-term flexibility.

Foreign currency risk
As a result of the investment in operations in the United States, movements in the US dollar/sterling exchange rate could materially affect the Group's and the Company's balance sheet. As at 30 September 2014, £3,868,000 (2013: £4,325,000) of the Group's net assets are denominated in foreign currency. The Group does not use derivative financial instruments in its management of foreign currency risk.

Credit risk
The Group's principal financial assets are bank balances, cash, amounts recoverable on contracts and trade receivables, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its amounts recoverable on contracts and trade receivables.

Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

Payment of creditors
The Group recognises the importance of good relationships with its suppliers and sub-contractors and has established the following payment policy:

(a) agree payment terms in advance of any commitment being entered into;

(b) ensure suppliers are made aware of these terms by inclusion of the terms of payment on the order or contract; and

(c) ensure that payments are made in accordance with the terms of the contract or order providing that the presented documentation is complete and accurate.

Employees
The Directors recognise the need for communication with employees at every level. All employees have access to a copy of the Annual Report and Accounts which, together with staff briefings, internal notice-board statements and newsletters, keeps them informed of the Group's progress. The Group produces a quarterly in-house publication, Renews, which provides information to its employees about the activities and performance of the Group.

The Group continues to be committed to the health, safety and welfare of its employees and to observe the terms of the Health and Safety at Work Act 1974, and all other relevant regulatory and legislative requirements.

Employees continued

It is the policy of the Group that there shall be no discrimination or less favourable treatment of employees, workers or job applicants in respect of race, colour, ethnic or national origins, religious beliefs, sex, sexual orientation, disability, political beliefs, age or marital status. Full consideration will be given to suitable applications for employment from disabled persons, where they have the necessary abilities and skills for that position, and wherever possible to re-train employees who become disabled, so that they can continue their employment in another position. Renew and its subsidiaries engage, promote and train staff on the basis of their capabilities, qualifications and experience, without discrimination, giving all employees an equal opportunity to progress within the Group.

Health and safety management

B W May continues as the designated Board Director of Health and Safety with Group responsibility for safety and environmental management. Health, safety and environmental management issues and reports are reviewed at every Group Board meeting with the Head of Department in attendance when necessary.

The Executive Management Committee, chaired by the Chief Executive, discusses and progresses policy, legislative changes, best practice, training needs, inspections, audits (internal and external), performance measurement and statistical information. All topics are discussed with a specific focus on improvement.

Control at business level remains with subsidiary Managing Directors who are required to appoint a Director who is responsible for safety and environmental matters. Health, safety and environmental issues are discussed as the first agenda item at monthly Board meetings. Each business safety and environmental meeting encourages open communication between all employees and is a key part of the Group's efforts to gather and disseminate good practice for inclusion in business-based management systems. Minimum safety and environmental standards are contained within bespoke business Safety and Environmental Management Systems. This system is based on Group activities and provides specific standards, procedures, information, forms and advice which accommodate changes in legislation expected during the coming financial year. Management advice is provided by the Group Health, Safety and Environmental Department consisting of the Group Health, Safety and Environmental Director, an administrator and regional Group Safety and Environmental Advisors.

Certain Group companies employ their own specialist advisors who liaise directly with the Group HSE Director on common issues. The Group maintains its membership with the Royal Society for the Prevention of Accidents and locally based construction safety groups. All safety and environmental department personnel hold membership with the Institution of Occupational Safety and Health. Attendance on the five day Construction Industry Training Board Site Safety Management Training Scheme continues to be a requirement for all construction management personnel, with a two day refresher required every five years. A one day Directors and Senior Managers course is available internally and is used to introduce new systems and detail changes to construction legislation. Short duration 'tool box talks' and 'safety briefings' are used to enhance the knowledge and competence of supervisory management.

Group policy requires each business to report and record all injuries, diseases and dangerous occurrences, regardless of severity. An incident database is maintained to collate this information and provide statistical data allowing performance to be measured and determine system amendment and future training requirements. A system of Safety and Environmental Alerts ensures lessons learnt and changes to working practices are rapidly transmitted to our workforce, businesses and their contractors. The Accident Incidence Rate ("AIR") for the year ended 30 September 2014, measured on the standard base line of 100,000 persons at work, is a key area where the Group measures its performance.

Corporate social responsibility and the environment

The Group's Corporate Social Responsibility Report, which includes its report on the environment, is on pages 39 to 41.

Directors

The Directors of the Company who served throughout the year and their brief biographical details are set out below.

Non-executive Directors

John Bishop – Director, 69, was appointed to the Board as a non-executive Director in October 2006. He is a Chartered Accountant with over 20 years' PLC experience at main board level. Before retiring in 2005, John spent twelve years at Morgan Sindall Plc as Development Director and latterly as Finance Director.

David Forbes – Director, 54, was appointed to the Board as a non-executive Director in June 2011. He qualified as a Chartered Accountant in 1984 and has over 20 years' experience in corporate advisory services with N M Rothschild & Son Limited. He is non-executive Chairman of entu (UK) plc and a non-executive director of Vertu Motors plc and Boohoo.com plc.

Roy Harrison OBE – Director, 67, was appointed to the Board as a non-executive Director in November 2003. Subsequently, he was appointed Executive Chairman in March 2004, reverting to non-executive Chairman with effect from 1 October 2005. He is a former chief executive of the Tarmac Group, a former director of BSS Group PLC and has a number of investing director positions in private construction materials companies. He is governor and chairman of a number of City Academies and a non-executive director of Fox Marble Holdings plc.

Directors' report continued

Executive Directors

Brian May – Director, 63, was appointed to the Board as Chief Executive Officer in June 2005. He is a Chartered Civil Engineer. He progressed his career in Tarmac, subsequently holding a number of senior positions in Mowlem plc before becoming Chief Executive of Laing Construction plc and more latterly HBG Construction Ltd.

Paul Scott – Director, 50, was appointed to the Board as Engineering Services Director on 21 July 2014. Paul has been with the Group for sixteen years, serving as Managing Director of Shepley Engineers Limited for seven years before taking up his current position in July 2013 prior to joining the Board.

John Samuel – Director, 58, joined the Board in May 2006 as Group Finance Director. He was previously Group Finance Director at Filtronic plc from 1991 until 2004 and subsequently Chief Financial Officer of Zetex plc from July 2004 until February 2006. He qualified as a Chartered Accountant in 1981 with Deloitte, Haskins and Sells before serving as a partner with Baker Tilly from 1987 until 1991.

An organogram with the Directors' areas of responsibility can be found on the Company's website: www.renewholdings.com.

Brian May retires by rotation at the 2014 Annual General Meeting ("AGM") and will offer himself for reappointment. The Board recommends his reappointment as it considers that he continues to perform his role well. Additionally, Paul Scott, who was appointed as a Director with effect from 1 July 2014, seeks reappointment at the first AGM since his appointment. The Board recommends the reappointment of Paul Scott and considers that he brings considerable operational and management experience to the Group's business.

The Articles of Association provide that each Director shall be indemnified by the Company against losses, costs and expenses he may sustain or incur in connection with the performance of his duties of office, to the fullest extent permitted by law. The Company has purchased and maintained throughout the year directors' and officers' liability insurance in respect of its Directors.

Directors' interests

The beneficial interests of the Directors (and their immediate family members) in the shares of the Company and options for shares are set out on page 48. No Director has any interest in any other Group company. Details of the Directors' remuneration and service contracts appear on pages 46 and 47.

Disclosable interests

As at the date of this report, the Company has been notified of the following disclosable interests in the voting rights of the Company:

	Number of ordinary shares	Percentage of issued share capital
Octopus Investments Nominees Limited	9,574,560	15.56%
Hargreave Hale Limited	7,265,370	11.81%
Brewin Dolphin Limited	2,800,783	4.55%
Investec Wealth & Investment Limited	2,503,296	4.07%

Share capital

As at the date of this report, the total number of shares in issue (being ordinary shares of 10p each) is 61,517,948.

During the year, the Company has not bought back any of its own shares. 114,280 new ordinary shares of 10p each were issued at 52.5p during the year to satisfy the exercise of share options.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' Report confirm the following:

- so far as each Director is aware, there is no relevant audit information of which the Group's Auditor is unaware; and
- each Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

Auditor

Resolutions will be proposed at the forthcoming AGM to reappoint KPMG LLP as Auditor to the Group and to authorise the Directors to determine their remuneration.

Approval

The Board approved the Report of the Directors on 25 November 2014.

By Order of the Board

J Samuel FCA
Company Secretary
25 November 2014

Company number 650447

Directors' remuneration report

The Directors present the Directors' Remuneration Report (the "Remuneration Report") for the financial year ended 30 September 2014.

As an AIM listed company, Renew is not required to prepare this Remuneration Report in accordance with the Directors' Remuneration Report Regulations 2002 or the recently enacted Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (together "the Regulations"). However, the Directors recognise the importance, and support the principles, of the Regulations and seek to follow them to the extent considered relevant for an AIM listed company. There are improved and extended disclosures in the report presented below and the Remuneration Committee will continue to monitor market practice to ensure that, in future, this report will include disclosures at least as good as market practice for AIM companies. The Auditor is not required to report to the shareholders on the Directors' Remuneration Report.

The Board consults with major shareholders when any significant change in the structure or scale of directors' remuneration is being considered. No material matters have been raised by shareholders relating to directors' remuneration during the year.

At the last general meeting, votes on the advisory resolution relating to the Remuneration Report were cast as follows.

In favour	– 4,885,504 (99.7%)
Against	– 16,618 (0.3%)
Total votes cast	– 4,902,122 (100%)

Remuneration Committee
On his appointment as a Director on 1 June 2011, D M Forbes assumed the Chairmanship of the Remuneration Committee which also comprises R J Harrison and J Bishop. The Committee held four meetings during the financial year to discuss remuneration arrangements.

The Remuneration Committee's terms of reference include:

(a) to determine and agree with the Board the framework and policy for the remuneration packages, including bonuses, incentive payments and share options or share awards, of the Executive Directors and members of the Executive Management;

(b) to review and approve the design of all share incentive plans and performance related pay schemes for approval by the Board and shareholders as applicable;

(c) to determine targets and awards made under share incentive plans and performance related pay schemes;

(d) to determine the policy for, and scope of, pension arrangements for each Executive Director and other senior executives; and

(e) to ensure contractual terms and payments made on termination are fair to the individual and the Company and that failure is not rewarded.

Non-executive Directors do not have any personal interest in the matters to be decided by the Committee other than as shareholders, nor any potential conflicts of interest arising from cross-directorships and no day-to-day involvement in the running of the Company. The Executive Directors and other senior personnel may be invited to attend meetings when appropriate to provide advice. However, no Director is present or takes part in discussions concerning his own remuneration.

Remuneration policy
The Company's remuneration policy is that the remuneration package of the Executive Directors should be sufficiently competitive to attract, retain and motivate those Directors to achieve the Company's objectives, without making excessive payments. The remuneration and employment terms of the Executive Directors are determined by the Committee by comparison with salaries paid and terms agreed with Directors in similar companies in the same sector and of a similar size and after a review of the performance of the individual.

It is the aim of the Committee to reward Executive Directors competitively and on the broad principle that they should be in the range of median to upper quartile of remuneration paid to senior management of comparable public companies. For guidance, the Committee refers to published survey data. The Board determines the terms and conditions of non-executive Directors.

There are four main elements to the remuneration packages of the Executive Directors and other senior executives:

> basic salary and benefits;

> annual bonus awards;

> long-term equity incentive plans; and

> pension arrangements.

Basic salary and benefits
Basic salaries are reviewed annually by the Remuneration Committee, and adjusted where the Committee believes that adjustments are appropriate to reflect performance, changed responsibilities and/or market conditions.

Other benefits for Executive Directors include car allowances and certain medical cover for the Director and immediate family. The Company also has a permanent health insurance policy to provide cover for the Executive Directors.

Directors' remuneration report continued

Remuneration policy continued

Annual bonus awards

It is the Company's policy to provide a bonus incentive scheme for Directors and senior executives of the operating companies, linked directly to the performance of the businesses for which they are responsible. In the case of Executive Directors, these relate to the performance of the Group as a whole. All performance criteria are subject to approval by the Remuneration Committee at the beginning of a year and all payments are made only when approved by the Remuneration Committee.

Details of the Annual Bonus Scheme for the year under review and the following year are set out below.

Long-term equity incentive plans

The Remuneration Committee has ceased to use the Renew Holdings plc 2004 Executive Share Option Scheme ("ESOS") and implemented a new long term incentive plan ("LTIP") which was approved at an Extraordinary General Meeting ("EGM") held on 25 January 2012. The LTIP has been designed so as to comply with ABI guidelines in all material respects and to align a material part of a Director's remuneration more closely with shareholders.

The performance criteria to be achieved by the Company in respect of the LTIP are as follows:

Vesting of one half of the options is dependent on absolute growth in the Company's Total Shareholder Return ('TSR'), and the other half dependent on the Company's TSR performance as compared to the TSR achieved by other companies in a comparator group of companies selected by the Remuneration Committee. All TSR calculations are based on the average of the opening and closing share price over a 30 day period prior to the commencement and end of the performance period.

The absolute TSR growth target requires the Company's TSR over the three year performance period to have grown by more than 25%. For TSR growth between 25% and 100%, the half of the option which is subject to the absolute TSR growth target vests on a straight-line basis from nil vesting at 25% growth, to 100% vesting at 100% growth. There is no vesting if TSR growth is 25% or less.

In the event of a material correction of any accounts of the Company used to assess satisfaction of any performance conditions, or in the event of a participant's gross misconduct, options may be reduced, adjusted or cancelled as determined by the Remuneration Committee. To the extent that options have already been exercised, the Remuneration Committee may (having considered all the circumstances) require the participant to return any shares received, or the amounts of any proceeds of the sale of such shares (net of tax).

The ESOS and the Renew Savings Related Share Option Scheme were approved at an EGM held on 11 March 2004. There are no options outstanding under either scheme. The Remuneration Committee does not currently intend to grant any further options under the ESOS or the Renew Savings Related Share Option Scheme.

The Company's policy to grant options or awards under the above schemes is at the Remuneration Committee's discretion as and when considered appropriate.

Remuneration for the year ending 30 September 2014

Service contracts and letters of appointment

The Company's policy is for all of the Executive Directors to have twelve month rolling service contracts that provide for a twelve month notice period.

The fees of non-executive Directors are determined by the full Board within the limits set out in the Articles of Association. The non-executive Directors are not eligible for bonuses, pension benefits, share options or other benefits. The Directors are indemnified to the full extent permitted by statute under the Articles of Association. All non-executive Directors are subject to re-election every 3 years.

The service contracts of the Directors, who served during the year ended 30 September 2014, include the following terms:

Directors	Executive/Non-executive	Date of contract	Unexpired term	Notice period (months)
R J Harrison	Non-executive	1 February 2009	Rolling one month	1
J Bishop	Non-executive	1 September 2008	Rolling one month	1
D M Forbes	Non-executive	1 June 2011	Rolling one month	1
B W May	Executive	20 June 2005	Rolling one year	12
P Scott	Executive	1 July 2014	Rolling one year	12
J Samuel	Executive	17 May 2006	Rolling one year	12

Directors' remuneration
Information is provided below for Directors who served during the financial year and as at 30 September 2014:

	Notes	Salary/fees £000	Bonuses £000	Benefits £000	Pension £000	Total emoluments 2014 £000	Total emoluments 2013 £000
Executive Directors							
B W May	1,2,3,4	303	303	71	—	677	556
P Scott	2,3,4,5	33	19	2	8	62	—
J Samuel	2,3,4	233	233	56	—	522	439
						1,261	995
Non-executive Directors							
R J Harrison		58	—	—	—	58	57
J Bishop		31	—	—	—	31	31
D M Forbes		31	—	—	—	31	31
						1,383	1,114

Notes:

1. The highest paid Director for 2014 and 2013 was B W May who received emoluments of £677,000 (2013: £556,000).
2. Benefits include car allowances and certain medical cover for the Director and immediate family.
3. B W May and J Samuel received payments amounting to 15 per cent of their basic salary, in lieu of Company pension contributions. These were paid through payroll and taxed as salary and are included in Benefits above. The Company pays 15% of P Scott's basic salary into his personal pension plan.
4. Bonuses were earned by B W May, P Scott and J Samuel during the current financial year and will be paid in the year ending 30 September 2015. P Scott was not a participant in the Executive Directors' bonus incentive scheme for the year ended 30 September 2014 and the bonus shown above is related to his former position as Managing Director of one of the Group's operating subsidiaries.
5. P Scott was appointed as a director with effect from 1 July 2014 and so emoluments shown above represent the three month period ended 30 September 2014.

Annual bonus awards
The Company provides a bonus incentive scheme for Executive Directors linked to the performance of the Group.

At the beginning of each year, the Remuneration Committee agrees targets for operating profit before exceptional items for the Group. If the Group meets those targets then the Executive Directors receive an annual bonus equal to 50 per cent of their salary. The level of over and under performance causes the level of annual bonus to vary with the maximum bonus of 100 percent of salary being paid if the performance exceeds the target by 30 per cent. The Remuneration Committee make such adjustments to the target and/or results to remove distortions such as acquisitions and disposals during the year and other items as they believe are necessary.

At the beginning of the year ended 30 September 2014, the Remuneration Committee agreed a target for operating profit before exceptional items for the Group based on the structure of the Group on that date of £12,600,000. The operating profit before exceptional items for the Group, adjusted to remove distortions caused by acquisitions and disposals during the year, exceeded the set targets by in excess of 30 per cent. Accordingly, under the terms of the scheme, the Executive Directors are entitled to receive an annual bonus equal to the maximum bonus of 100 per cent of salary.

Long-term equity incentive plans
The market price of the Company's shares at 30 September 2014 was 301.5p and the range of market prices during the year was between 136.5p and 303.5p.

Information is provided below for Directors who served during the financial year and as at 30 September 2014:

Directors' share options under the LTIP
Pursuant to the LTIP, the Board has granted the following options to the Executive Directors which are exercisable at a nominal cost subject to the achievement of performance criteria as follows:

	Exercisable between 2 March 2015 & 1 March 2022	Exercisable between 21 December 2015 & 20 December 2022	Exercisable between 3 January 2017 & 2 January 2024
B W May	240,000	228,560	140,647
J Samuel	160,000	171,440	112,518

Performance criteria for the vesting of the share options under the LTIP are set out in the Remuneration Policy above and in Note 20 to the accounts.

No options granted under the LTIP vested during the year.

Directors' remuneration report continued

Directors' pension information
No Director had pension entitlements under the Company's defined benefit pension scheme arrangements. The Group has established individual stakeholder plans for each employee who elects to join into which the Group makes contributions; B W May and J Samuel receive a sum equivalent to 15% of their basic salary in lieu of pension contributions from the Company. The Company pays 15% of P Scott's basic salary into his personal pension scheme.

Following the adoption of new Articles of Association at the AGM on 28 January 2009, the restriction on the retirement age of the Executive Directors was removed.

Directors' share interests
Those Directors serving at the end of the year and their immediate families had interests in the share capital of the Company at 30 September 2014 as follows:

	Ordinary Shares of £0.10 each	
	30 September 2014	30 September 2013
R J Harrison	**150,000**	150,000
J Bishop	**10,000**	10,000
D M Forbes	**20,000**	20,000
B W May	**844,193**	844,193
P Scott	**—**	—
J Samuel	**240,548**	240,548

Remuneration for the year ending 30th September, 2015
Basic salary and benefits
The basic salaries of B W May, J Samuel and P Scott have increased by 3.5 per cent to £313,000, £241,000 and £207,000 respectively with effect from 1 October 2014. The level of increase in very closely aligned to the average annual pay award across the Group as a whole excluding rises for promotions or other changes in responsibility.

There have been no material changes in the benefits which the Directors are entitled to receive.

Annual bonus awards
The annual bonus scheme for the year ending 30 September 2015 has been agreed. The structure of the scheme is similar to the scheme for the previous year as set out above, in all material respects (except for the targets). Executive Directors will therefore be entitled to receive a bonus of 50 per cent of their basic salary if the Group achieves target operating profit and a maximum of 100 percent of their basic salary if the Group achieves 130 per cent of target operating profit.

Long-term equity incentive plan.
The Remuneration Committee have made annual awards under the LTIP since it was set up in 2012. Each award has been made shortly after the publication of the Company's annual results. It is expected that this will continue in the absence of unforeseen circumstances and that the next award will be announced shortly. Awards are limited in amount to 100 per cent of a Directors basic salary, unless the Remuneration Committee believe there are exceptional reasons that justify exceeding that limit. The first tranche of options granted under the LTIP, detailed above, will vest during the coming year subject to the performance criteria contained therein.

Approval
The Directors' Remuneration Report was approved by the Board on 25 November 2014 and signed on its behalf by:

D M Forbes
Chairman of the Remuneration Committee
25 November 2014

Corporate governance

R J Harrison OBE
Non-executive Chairman

John Bishop
Non-executive Director

David Forbes
Non-executive Director

As an AIM listed company, Renew is not required to follow the provisions of the UK Corporate Governance Code ("the Code"), as set out in the Financial Services Authority's Listing Rules. The Directors, however, recognise the importance of, and accordingly support, the principles of good corporate governance as contained within the Code. The Directors normally seek to follow the Code to the extent considered relevant for an AIM listed company but are unable to achieve compliance with the Code in a number of areas this year, primarily because of the lack of independent non-executive Directors. These matters are explained in further detail in the sections below.

The Board of Directors

The Board currently comprises the Chief Executive Officer, the non-executive Chairman, two Executive Directors and two independent non-executive Directors. Brief biographies of the Directors are given on pages 43 and 44. The Company is not compliant with the requirement of the Code that more than half of the Board should be comprised of independent non-executive Directors. Although the Board believes that Mr Harrison acts as an independent director, he is not regarded as such by the Code due to the period in 2004/2005 when he acted as Executive Chairman.

The composition of the Board is reviewed regularly. Appropriate training, briefings and induction are available to all Directors on appointment and subsequently as necessary, taking into account existing qualifications and experience. New Directors are subject to election by shareholders at the first AGM after their appointment.

The Board met formally ten times in the year with all Directors in attendance. Committee meetings dealing with the daily business of the Company were held as necessary. The Board receives written and oral reports from the Executive Directors ensuring matters are considered fully and enabling Directors to discharge their duties properly. There is a formal schedule of matters reserved for the Board's decision ensuring the maintenance of control over strategic, financial and operational matters. In addition, procedures are in place for the Directors to seek independent professional advice, if necessary, at the Company's expense.

Board committees

The Board operates with a number of Board Committees. J Bishop, the senior independent non-executive Director, acts as Chairman of the Audit Committee and D M Forbes, an independent non-executive Director, acts as Chairman of the Remuneration Committee. The Nominations Committee is chaired by R J Harrison.

The Board delegates clearly defined powers to its Audit, Remuneration and Nominations Committees. Each of the Board's Committees has carefully drafted terms of reference.

The Remuneration Committee, which comprises all of the non-executive Directors, determines and agrees with the Board the framework and policy of executive remuneration packages, including bonuses, incentive payments, share options or awards and pension arrangements. Further information concerning the Remuneration Committee is set out in the Directors' Remuneration Report on page 45.

The Nominations Committee, which comprises R J Harrison, J Bishop, D M Forbes and B W May, monitors the composition of the Board and recommends the appointment of new Directors. The Nominations Committee, with all Directors present, has held two meetings during the year to discuss nomination matters.

The Nominations Committee terms of reference include:

(a) to review the structure, size and composition of the Board;

(b) to consider succession planning for Directors and senior executives;

(c) to identify and nominate, for approval by the Board, suitable candidates to fill Board vacancies; and

(d) to make recommendations to the Board on the contents of letters of appointment, Directors' duties, re-appointment or re-election of Directors upon conclusion of a specified term or retirement by rotation.

The Audit Committee has held three meetings to consider Audit Committee business. The Audit Committee consists of all three non-executive Directors. The Executive Directors are invited to attend Audit Committee meetings but at least two meetings are held each year with the external Auditor at which the Executive Directors are not present. The Audit Committee considers the adequacy and effectiveness of the risk management and control systems of the Group, and reports the results to the Board. It reviews the scope and results of the external audit, its cost effectiveness and the objectivity of the Auditor. The Audit Committee monitors the non-audit work performed by the Auditor to help ensure that the independence of the Auditor is maintained. The Audit Committee also reviews the interim statement, the preliminary announcement and accounting policies.

The Board forms a General Purposes Committee from time it time as it deems necessary. This Committee comprises any two of the Executive Directors as determined by the Board as appropriate and considers individual business matters, which have been specifically delegated to it by the Board.

Corporate governance continued

Internal controls

Throughout the financial year ended 30 September 2014 and up to the date of approval of the Annual Report and Accounts, the Group has fully complied with the relevant provisions of the Code and the Turnbull guidance, other than as disclosed above. The Directors acknowledge that they have overall responsibility for the Group's system of internal control and for reviewing and monitoring its effectiveness. The system of internal control is designed to manage and mitigate, rather than eliminate, the risks to which the Group is exposed and therefore provides a reasonable, but not absolute, assurance against a company failing to meet its business objectives or against material misstatement or loss. Consequently, the Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group and that it is regularly reviewed by the Board.

The Group operates a risk management process, which is embedded in normal management and governance processes. There is a system of self-examination of risk areas and controls by subsidiaries and departments within the Group. Where significant risks are identified, the probability of those risks occurring, their potential impact and the plans for managing and mitigating each of those risks is reported. The Group operates a series of controls which include the annual strategic planning and budgeting process, short-term cash monitoring achieved by means of weekly forecasts which are compared against budget and previous forecasts, clearly defined capital investment guidelines and levels of authority and a clear organisational structure within which individuals' responsibilities are identified and monitored. These results and processes are monitored, updated, reviewed and considered by the Board. The Group has established a series of minimum standards in a number of financial and operational areas with which each business within the Group must comply. Group management monitors and reviews compliance with these requirements on a periodic basis. Due to the size and nature of the Group, the Board does not consider that a separate internal audit function is necessary. For the last seven years and including 2014, the Group has carried out a programme of internal audit conducted by the Group Commercial Director and by members of the various subsidiaries' finance teams. This system of peer review promotes best practice as well as ensuring that Group minimum requirements as to procedures and internal controls are being complied with. The reports from these internal audits are made available both to the Board and to the external Auditor.

Going concern

The Directors have reviewed the budgets and forecasts prepared by the Group and its trading subsidiaries and consider that at the time of approving the financial statements, there is a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Directors' remuneration

The Company's policy on the remuneration of Executive Directors, and information relating to the Directors' remuneration and their interests in share options, is included in the Directors' Remuneration Report.

Directors' and officers' indemnity

The Articles of Association provide that each Director or other officer or Auditor of the Company shall be indemnified by the Company against losses, costs and expenses he may sustain or incur in connection with the performance of his duties of office, to the fullest extent permitted by law.

Shareholder relationships

Members of the Board have dialogue with individual shareholders during the year. In addition to the Annual and Interim Report and Accounts, the Chairman addresses shareholders at the AGM and invites questions to any members of the Board.

The AGM is normally attended by all Directors and provides an opportunity for communication with those shareholders attending. Notice of the AGM is given to shareholders at least 21 days in advance and separate resolutions are proposed on each substantially separate issue. Where resolutions at the AGM are dealt with by show of hands, the results of proxy votes for and against are still announced.

Financial and other information about the Group is available on the Company's website: www.renewholdings.com, from which shareholders can also access their shareholding details via a link to the website of Capita Registrars plc.

Annual General Meeting

The AGM will be held on 28 January 2015, the Notice for which accompanies this Report and Accounts. The Notice contains special business relating to the renewal of the Board's power to allot equity shares. Brief details of the purpose and effect of the proposed resolutions are enclosed with the Notice of AGM.

Shareholders should complete the proxy form accompanying this document in accordance with the notes contained in the Notice of AGM.

Approval

The Board approved the Corporate Governance Report on 25 November 2014.

By Order of the Board

J Samuel
Company Secretary
25 November 2014

Statement of directors' responsibilities

in respect of the Strategic Report, the Annual Report and financial statements

The Directors are responsible for preparing the Strategic Review, the Annual Report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of their profit or loss for that period. In preparing each of the Group and parent company financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

Independent auditor's report

to the members of Renew Holdings plc

We have audited the financial statements of Renew Holdings plc for the year ended 30 September 2014 set out on pages 53 to 85. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the EU. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 51, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

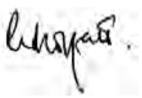
Opinion on financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 September 2014 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion 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.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Iain Moffatt (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW
25 November 2014

Group income statement

for the year ended 30 September

	Note	Before exceptional items and amortisation of intangible assets 2014 £000	Exceptional items and amortisation of intangible assets (see Note 3) 2014 £000	Total 2014 £000	Before exceptional items and amortisation of intangible assets 2013 £000	Exceptional items and amortisation of intangible assets (see Note 3) 2013 £000	Total 2013 (restated *) £000
Group revenue from continuing activities	2	**464,474**	**—**	**464,474**	282,749	15,412	298,161
Cost of sales		**(411,413)**	**—**	**(411,413)**	(247,427)	(11,141)	(258,568)
Gross profit		**53,061**	**—**	**53,061**	35,322	4,271	39,593
Administrative expenses		**(36,623)**	**(3,055)**	**(39,678)**	(25,286)	(968)	(26,254)
Operating profit	3	**16,438**	**(3,055)**	**13,383**	10,036	3,303	13,339
Finance income	4	**182**	**—**	**182**	25	—	25
Finance costs	4	**(427)**	**—**	**(427)**	(362)	—	(362)
Other finance (expense)/ income – defined benefit pension schemes	4	**(87)**	**—**	**(87)**	43	—	43
Profit before income tax		**16,106**	**(3,055)**	**13,051**	9,742	3,303	13,045
Income tax expense	6	**(3,325)**	**611**	**(2,714)**	(2,315)	(760)	(3,075)
Profit for the year from continuing activities		**12,781**	**(2,444)**	**10,337**	7,427	2,543	9,970
Loss for the year from discontinued operations	3			**(5,155)**			(1,498)
Profit for the year attributable to equity holders of the parent company				**5,182**			8,472
Basic earnings per share from continuing activities	8			**16.83p**			16.62p
Diluted earnings per share from continuing activities	8			**16.59p**			16.45p
Basic earnings per share	8			**8.44p**			14.12p
Diluted earnings per share	8			**8.32p**			13.98p

* The prior year income statement has been restated following the reclassification of a discontinued business (see Note 3), and the impact of IAS 19 (2011) on administrative expenses and other finance income (see Note 2).

Group statement of comprehensive income

for the year ended 30 September

	Note	2014 £000	2013 £000
Profit for the year attributable to equity holders of the parent company		**5,182**	8,472
Items that will not be reclassified to profit or loss:			
Movement in actuarial valuation of the defined benefit pension schemes	24	**1,068**	(6,770)
Movement on deferred tax relating to the defined benefit pension schemes		**(214)**	1,429
Total items that will not be reclassified to profit or loss		**854**	(5,341)
Items that are or may be reclassified subsequently to profit or loss:			
Exchange movement in reserves		**1**	(24)
Total items that are or may be reclassified subsequently to profit or loss		**1**	(24)
Total comprehensive income for the year attributable to equity holders of the parent company		**6,037**	3,107

Group statement of changes in equity

for the year ended 30 September

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Cumulative translation adjustment £000	Share based payments reserve £000	Retained earnings £000	Total equity £000
At 1 October 2012	5,990	5,893	3,896	775	289	(7,949)	8,894
Transfer from income statement for the year						8,472	8,472
Dividends paid						(1,917)	(1,917)
New shares issued	150						150
Recognition of share based payments					101		101
Exchange differences				(24)			(24)
Actuarial losses recognised in pension schemes						(6,770)	(6,770)
Movement on deferred tax relating to the pension schemes						1,429	1,429
At 30 September 2013	6,140	5,893	3,896	751	390	(6,735)	10,335
Transfer from income statement for the year						5,182	5,182
Dividends paid						(2,461)	(2,461)
New shares issued	12	49					61
Recognition of share based payments					(98)		(98)
Exchange differences				1			1
Actuarial gain recognised in pension schemes						1,068	1,068
Movement on deferred tax relating to the pension schemes						(214)	(214)
At 30 September 2014	**6,152**	**5,942**	**3,896**	**752**	**292**	**(3,160)**	**13,874**

Group balance sheet
at 30 September

	Note	2014 £000	2013 (restated*) £000
Non-current assets			
Intangible assets – goodwill	9	**53,286**	33,474
– other	9	**7,770**	3,959
Property, plant and equipment	10	**15,283**	8,188
Retirement benefit assets	24	**1,456**	962
Deferred tax assets	6	**2,741**	3,051
		80,536	49,634
Current assets			
Inventories	11	**4,068**	3,195
Trade and other receivables	12	**85,557**	75,868
Assets held for resale	9	**1,250**	—
Cash and cash equivalents	14	**5,586**	5,348
		96,461	84,411
Total assets		**176,997**	134,045
Non-current liabilities			
Borrowings	16	**(15,500)**	—
Obligations under finance leases	17	**(3,575)**	(1,984)
Retirement benefit obligations	24	**—**	(3,545)
Deferred tax liabilities	6	**(1,749)**	(938)
Provisions	18	**(1,232)**	(628)
		(22,056)	(7,095)
Current liabilities			
Borrowings	16	**(6,200)**	(2,500)
Trade and other payables	15	**(131,041)**	(112,349)
Obligations under finance leases	17	**(2,764)**	(1,509)
Current tax liabilities		**(694)**	(153)
Provisions	18	**(368)**	(104)
		(141,067)	(116,615)
Total liabilities		**(163,123)**	(123,710)
Net assets		**13,874**	10,335
Share capital	20	**6,152**	6,140
Share premium account	21	**5,942**	5,893
Capital redemption reserve	21	**3,896**	3,896
Cumulative translation adjustment	21	**752**	751
Share based payments reserve	21	**292**	390
Retained earnings	21	**(3,160)**	(6,735)
Total equity		**13,874**	10,335

* Details of the restated balance sheet are set out in Note 28.

Approved by the Board and signed on its behalf by:

R J Harrison OBE
Chairman
25 November 2014

Group cashflow statement
for the year ended 30 September

	2014 £000	2013 (restated*) £000
Profit for the year from continuing operating activities	**10,337**	9,970
Amortisation of intangible assets	**2,231**	500
Depreciation	**2,893**	1,218
Profit on sale of property, plant and equipment	**(435)**	(110)
(Increase)/decrease in inventories	**(323)**	6,466
Decrease in receivables	**1,324**	2,490
Increase in payables	**9,630**	4,308
Current service cost in respect of defined benefit pension scheme	**59**	53
Cash contribution to defined benefit pension schemes	**(3,117)**	(2,946)
(Credit)/expense in respect of share options	**(98)**	101
Finance income	**(182)**	(25)
Finance expenses	**514**	319
Interest paid	**(427)**	(362)
Income taxes paid	**(1,926)**	(429)
Income tax expense	**2,714**	3,075
Net cash inflow from continuing operating activities	**23,194**	24,628
Net cash outflow from discontinued operating activities	**(4,691)**	(5,390)
Net cash inflow from operating activities	**18,503**	19,238
Investing activities		
Interest received	**182**	25
Proceeds on disposal of property, plant and equipment	**647**	1,854
Purchases of property, plant and equipment	**(1,559)**	(649)
Acquisition of subsidiaries net of cash acquired	**(32,132)**	(9,384)
Net cash outflow from continuing investing activities	**(32,862)**	(8,154)
Net cash outflow from discontinued investing activities	**(106)**	(56)
Net cash outflow from investing activities	**(32,968)**	(8,210)
Financing activities		
Dividends paid	**(2,461)**	(1,917)
Issue of Ordinary Shares	**61**	150
New loan	**24,000**	—
Loan repayments	**(4,800)**	(5,000)
Repayments of obligations under finance leases	**(2,096)**	(958)
Net cash inflow/(outflow) from continuing financing activities	**14,704**	(7,725)
Net cash outflow from discontinued financing activities	**—**	—
Net cash inflow/(outflow) from financing activities	**14,704**	(7,725)
Net increase in continuing cash and cash equivalents	**5,036**	8,749
Net decrease in discontinued cash and cash equivalents	**(4,797)**	(5,446)
Net increase in cash and cash equivalents	**239**	3,303
Cash and cash equivalents at beginning of year	**5,348**	2,040
Effect of foreign exchange rate changes on cash and cash equivalents	**(1)**	5
Cash and cash equivalents at end of year	**5,586**	5,348
Bank balances and cash	**5,586**	5,348

* The prior year cash flow statement has been restated following the reclassification of a discontinued business (see Note 3), and the impact of IAS 19 (2011) on administrative expenses and other finance income (see Note 2).

Notes to the accounts

1 Accounting policies

Presentation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") as adopted by the EU ("adopted IFRSs"). The financial statements are presented in sterling since this is the currency in which the majority of the Group's transactions are denominated.

Accounting estimates and judgements

In the preparation of these financial statements the Board has made certain judgements and estimates which impact the measurement of various assets and liabilities in the Group balance sheet, the value of transactions recorded in the Group income statement and the movements in equity as shown in the Group statement of changes in equity. The actual financial outcomes may ultimately differ from that which is indicated by these judgements and estimates. Estimates and judgements are reviewed by management and the Board on an ongoing basis and changes which may arise in them are reflected in the financial statements for the period in which such changes are made.

The Board has determined that the following areas are those in which estimates and judgements have been made and where material impacts could arise in the financial statements were such estimates and judgements to be varied.

a) Accounting for construction contracts in accordance with IAS 11 "Construction Contracts"

IAS 11 requires management to estimate the total expected costs on a contract and the stage of contract completion in order to determine both the revenue and profit to be recognised in an accounting period. The Group has control and review procedures in place to monitor, and evaluate regularly, the estimates being made to ensure that they are consistent and appropriate. This includes reviewing the independent certification of the value of work done, the progress of work against contracted timescales and the costs incurred against plan.

b) Impairment of goodwill in accordance with IAS 36 "Impairment of Assets"

In accordance with IAS 36, goodwill is tested annually for impairment by comparing the carrying value of goodwill with the recoverable amount which is determined by an estimation of the value in use of the related cash generating unit to which the goodwill is attributed. The calculation of the value in use requires estimates to be made of the future cash flows of the cash generating unit and the timescale over which they will arise. Estimated growth rates and discount factors are also used in the calculation to estimate the net present value of the cash flows. More information is given in Note 9 to these financial statements.

c) Accounting for the defined benefit pension schemes in accordance with IAS 19 "Employee Benefits"

The independent actuaries calculate the Group's liability in respect of the defined benefit schemes. The actuaries make assumptions as to discount rates, salary escalations, expected returns on scheme assets, future pension increases, mortality rates applicable to members and future rates of inflation. These assumptions are made under the Board's direction. The Board determines the appropriateness of these assumptions by benchmarking them against those used by other schemes and by taking advice from the independent actuaries. If the actual experience of the schemes is different from the assumptions used then the pension liability may differ from that shown in these financial statements. More information is given in Note 24 to these financial statements.

d) Accounting for provisions in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"

The Group makes provisions where the Board determines that liabilities exist but where judgements have to be made as to the quantification of such liabilities. A provision has been made for onerous lease contracts in respect of property leases where the Board has determined that the expected economic benefits to be derived from the leases are less than the unavoidable cost of meeting the Group's obligations under the lease contract. This arises where the Group is the head lessee for a property lease contract where the property is not used by the Group and where the Group has not been able to sublet the property or has only been able to do so on terms which are less favourable than those of the head lease.

e) Accounting for deferred taxation in accordance with IAS 12 "Income Taxes"

The Group provides for deferred taxation using the balance sheet liability method. Deferred tax assets are recognised in respect of tax losses where the Directors believe that it is probable that future profits will be relieved by the benefit of tax losses brought forward. The Board considers the likely utilisation of such losses by reviewing budgets and medium term plans for each taxable entity within the Group. If the actual profits earned by the Group's taxable entities are different from the budgets and forecasts used then the value of such deferred tax assets may differ from that shown in these financial statements.

f) Accounting for discontinued operations in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations"

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year. On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent re-measurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In accordance with IFRS 5, the above policy is effective from the start of the accounting period in which the operation meets the criteria to be classified as held for sale. A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation has been discontinued from the start of the comparative period.

(i) Basis of accounting and preparation

The accounts have been prepared on the going concern basis and in accordance with applicable accounting standards under the historical cost convention. In determining that the going concern basis is appropriate the Directors have reviewed budgets, including cashflow forecasts, and concluded that Group has adequate cash resources to continue trading for the foreseeable future.

Notes to the accounts continued

1 Accounting policies continued

(i) Basis of accounting and preparation continued

The consolidated financial statements have been prepared in accordance with IFRSs as adopted for use in the EU. The Group has applied all accounting standards and interpretations issued by the IASB and International Financial Reporting Committee relevant to its operations and which are effective in respect of these financial statements.

As a result of IAS 19 (2011), the Group has changed its accounting policy with respect to the basis for determining the income or expense related to the net pension asset/liability. Under IAS 19 (2011) the Group determines net expense (or income) for the period on the net pension liability or asset by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net pension liability or asset taking into account any changes in the net pension liability or asset during the period as a result of contributions and benefit payments. Previously, the Group determined interest income on plan assets based on their long term rate of return.

The following new or revised International Financial Reporting Standards and IFRIC interpretations will be adopted, where applicable, for the purpose of preparing future financial statements. The Group does not anticipate that the adoption of these new or revised standards and interpretations will have a material impact on its financial position or results from operations.

International Financial Reporting Standards	Applies to periods beginning after
IAS 2 – Separate Financial Statements	January 2016
Annual Improvements to IFRS – 2012–14 cycle	January 2016
IFRS 9 – Financial Instruments	January 2018

(ii) Basis of consolidation

The Group accounts consolidate the accounts of the Company and its subsidiary undertakings. The results and net assets of undertakings acquired are included in the Group income statement and balance sheet using the acquisition method of accounting. The results of undertakings acquired/disposed of are included from the date the Group obtains/loses control.

(iii) Revenue

Revenue, which excludes intra-group revenue and Value Added Tax, comprises:

- value of work executed during the year on construction contracts based on monthly valuations; and
- sales of developments and land which are recorded upon legal completion.

(iv) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. Contract revenue and expenses are recognised in accordance with the stage of completion of the contract. The stage of completion is determined by surveys of work performed. Contract costs incurred that relate to future activities are deferred and recognised as amounts recoverable on contracts. When it is probable that the total contract costs will exceed contract revenue, the expected loss is recognised as an expense immediately. To the extent that progress billings exceed costs incurred plus recognised profits (less recognised losses) they are recognised as amounts due to construction contract customers.

(v) Segment reporting

The operating segments are based on the components that the Board, the Group's principal decision-making body (the Chief Operating Decision Maker ("CODM")), monitors in making decisions about operating matters. Such components are identified on the basis of information that is provided internally in the form of monthly management account reporting, budgets and forecasts to formulate allocation of resource to segments and assess performance. Revenue from reportable segments is measured on a basis consistent with the income statement. Revenue is principally generated from within the UK, the Group's country of domicile. Segment results show the contribution directly attributable to each segment in arriving at the Group's operating profit. Segment assets and liabilities comprise those assets and liabilities directly attributable to each segment. Group eliminations represent such consolidation adjustments that are necessary to determine the Group's assets and liabilities.

(vi) Intangible assets

a) Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly-controlled entity at the date of acquisition. Goodwill is recognised as an asset and is tested for impairment annually, or on such other occasions that events or changes in circumstances indicate that it might be impaired.

   On disposal of a subsidiary undertaking, the attributable amount of unamortised goodwill which has not been subject to impairment is included in the determination of the profit or loss on disposal.

b) Other intangible assets are stated at cost less accumulated amortisation and impairment losses. The cost of other intangible assets is amortised over their expected useful lives. These intangibles relate to customer relationships and contractual rights and are amortised over the period over which the Board has determined that future cash flows are likely to arise from these relationships and rights.

(vii) Property, plant and equipment

Property, plant and equipment are recorded at cost less provision for impairment if required.

Depreciation is provided on all property, plant and equipment, other than freehold land. Provision is made at rates calculated to write off the cost of each asset, less estimated residual value, evenly over its expected useful life as follows:

Group occupied property

Freehold land	– no depreciation charge
Long leasehold land and buildings	– shorter of fifty years and period of lease
Plant, vehicles and equipment	– three to ten years

1 Accounting policies continued

(viii) Impairments

Goodwill arising on acquisitions and other assets that have an indefinite useful life and are therefore not subject to amortisation, are reviewed at least annually for impairment. Other intangible assets and property, plant and equipment are reviewed for impairment whenever there is any indication that the carrying amount of the asset may not be recoverable. If the recoverable amount of any asset is less than its carrying amount, a loss on impairment is recognised. Recoverable amount is the higher of the fair value of the asset less any costs which would be incurred in selling the asset and its value in use. Value in use is assessed by discounting the estimated future cash flows that the asset is expected to generate. For this purpose, assets are grouped into cash generating units which represent the lowest level for which there are separately identifiable cash flows. Impairment losses in respect of goodwill are not reversed in future accounting periods. Reversals of other impairment losses are recognised in income when they arise.

(ix) Inventories

Inventories comprise developments, land held for development and raw materials and are stated at the lower of cost and net realisable value. Cost includes appropriate attributable overheads and excludes interest. Where necessary, provision is made for obsolete slow moving and defective inventories.

(x) Trade receivables

Trade receivables do not carry any interest and are initially recognised at their fair value and then at amortised cost.

(xi) Trade payables

Trade payables on normal terms are not interest bearing and are initially recognised at their fair value and then at amortised cost.

(xii) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, including bank deposits with original maturities of less than three months, net of bank overdrafts. Bank overdrafts are included within borrowings within current liabilities in the balance sheet.

(xiii) Provisions

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

(xiv) Leasing commitments

Assets held under finance leases, where substantially all the benefits and risks of ownership of an asset have been transferred to the Group, are capitalised and are depreciated in accordance with the depreciation policy for the relevant class of asset or the lease term if shorter. The interest element of the rental obligation is charged to the income statement and represents a constant proportion of the balance of capital repayments outstanding. Rentals under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

(xv) Defined benefit pension schemes

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of liabilities within the Group's defined benefit schemes expected to arise from employee service in the period is charged to operating profit. The expected return on the schemes' assets and the increase during the period in the present value of the schemes' liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the Group statement of comprehensive income. Pension scheme surpluses, to the extent they are considered recoverable, or deficits are recognised in full and presented on the face of the Group balance sheet.

(xvi) Defined contribution pension plans

Contributions to defined contribution pension plans are charged to the income statement as incurred.

(xvii) Taxation

The tax charge is composed of current tax and deferred tax, calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Current tax and deferred tax are charged or credited to the income statement, except when they relate to items charged or credited directly to equity, in which case the relevant tax is also dealt with in equity.

Current tax is based on the profit for the year. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax on such assets and liabilities is not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis.

(xviii) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. The income statements of overseas subsidiary undertakings are translated at the average rate of exchange ruling throughout the financial year. The balance sheets of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. Exchange differences arising from this policy and arising on the retranslation of the opening net assets are taken directly to reserves. All other exchange differences are taken to the income statement.

Notes to the accounts continued

1 Accounting policies continued

(xix) Financial instruments

Financial assets are divided into the following categories: trade receivables and financial assets at fair value. The Board assigns financial assets to each category on initial recognition dependant on the purpose for which the asset was acquired. The categorisation of these assets is reconsidered at each reporting date at which a choice of categorisation or accounting treatment is available. All financial assets are recognised whenever the Group becomes party to the contractual provisions of the financial instrument. All such assets are initially recognised at fair value. Derecognition of such assets occurs when the Group's right to receive cash flows from the asset ceases or the rights and rewards of ownership have been transferred. All such assets are reviewed for impairment at least annually. Interest and other cash flows which arise from holding a financial asset are recognised in the income statement in accordance with IAS 39. Financial assets at fair value include assets classified as held for trading, and changes in fair value are recognised through the income statement. Trade receivables are non-derivative financial assets with expected receipts which are not quoted in an active market and they arise when the Group provides goods or services. A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying value amount and the present value of the estimated cash flows discounted at the original effective interest rate. All impairment losses are recognised in the income statement. Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. All interest related charges are recognised as an expense in the income statement. Bank loans and hire purchase liabilities are entered into to provide financing for the Group's operations and are recognised as funds are received. Financial liabilities are measured at amortised cost.

(xx) Share based payments

IFRS 2 "Share Based Payment" requires a fair value to be established for any equity settled share based payments. Fair value has been independently measured using a Monte Carlo valuation model. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period based on the Directors' estimate of shares that will eventually vest.

(xxi) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding in the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(xxii) Rental income

Rental income from property is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(xxiii) Finance income and expense

Finance income comprises interest income on funds invested and gains on hedging instruments that are recognised in income or expense. Interest income is recognised as it accrues in income or expense, using the effective interest method. Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and losses on hedging instruments that are recognised in income or expense. All borrowing costs are recognised in income or expense using the effective interest method.

2 Segmental analysis

The Chief Operating Decision Maker ("CODM") is responsible for the overall resource allocation and performance assessment of the Group. The Board approves major capital expenditure and its authority is required prior to the Group entering into any development projects. The Board assesses the performance of the Group and its progress against the strategic plan through monitoring of key performance indicators. The Board also determines key financing decisions such as raising equity, all loan or bank borrowing arrangements and the granting of security over the Group's assets. As such the Group considers that the Board is the CODM.

Operating segments have been identified based on the internal reporting information provided to the CODM. From such information Engineering Services and Specialist Building have been determined to represent operating segments. Following the identification of the operating segments the Group has assessed the similarity of the characteristics of the operating segments. Given the different performance targets and markets operated within each operating segment it is not appropriate to aggregate the operating segments for reporting purposes and therefore both of the identified operating segments are disclosed as reportable segments. The information received by the CODM shows results both pre and post exceptional items. The Group had one customer within the Engineering Services sector which represented 40.6% (2013: 31.1%) of Group revenue. No other customer represented more than 10% of the Group's revenue.

These segments are:

Engineering Services, which comprises the Group's engineering activities which are characterised by the use of the Group's skilled engineering workforce, supplemented by specialist subcontractors where appropriate, in a range of civil, mechanical and electrical engineering applications and;

Specialist Building, which comprises the Group's building activities which are characterised by the use of a supply chain of subcontractors to carry out building works under the control of the Group as principal contractor and;

Central activities, which include the sale of land for development, the leasing and sub-leasing of some UK properties and the provision of central services to the operating subsidiaries.

Subsequent to the year end the Group has entered into a contract to dispose of part of its Specialist Building segment. The results of that business are shown as a discontinued operation. Comparative figures have been restated accordingly.

Prior year costs for central activities have been increased by £400,000 as a result of the impact of IAS 19 (2011). These costs were formerly dealt with in the statement of comprehensive income.

2 Segmental analysis continued

(a) Business analysis

Revenue is analysed as follows:

	2014 £000	2013 (restated) £000
Engineering Services	**382,467**	232,371
Specialist Building	**82,112**	50,621
Inter segment revenue	**(105)**	(246)
Segment revenue	**464,474**	282,746
Central activities	**—**	3
Group revenue before exceptional items	**464,474**	282,749
Exceptional revenue	**—**	15,412
Group revenue from continuing activities	**464,474**	298,161

Analysis of operating profit from continuing activities

	Before exceptional items and amortisation of intangible assets 2014 £000	Exceptional items and amortisation of intangible assets 2014 £000	2014 £000	Before exceptional items and amortisation of intangible assets 2013 £000	Exceptional items and amortisation of intangible assets 2013 £000	2013 (restated) £000
Engineering Services	**16,280**	**(2,231)**	**14,049**	10,646	(500)	10,146
Specialist Building	**2,157**	**—**	**2,157**	1,287	(272)	1,015
Segment operating profit	**18,437**	**(2,231)**	**16,206**	11,933	(772)	11,161
Central activities	**(1,999)**	**(824)**	**(2,823)**	(1,897)	4,075	2,178
Operating profit	**16,438**	**(3,055)**	**13,383**	10,036	3,303	13,339
Net financing expense	**(332)**	**—**	**(332)**	(294)	—	(294)
Profit on ordinary activities before income tax	**16,106**	**(3,055)**	**13,051**	9,742	3,303	13,045

Balance sheet analysis of business segments

	2014 Assets £000	2014 Liabilities £000	2014 Net assets £000	2013 (restated) Assets £000	2013 (restated) Liabilities £000	2013 (restated) Net assets £000
Engineering Services	**161,480**	**(130,907)**	**30,573**	139,882	(85,475)	54,407
Specialist Building	**68,516**	**(94,459)**	**(25,943)**	69,117	(95,067)	(25,950)
Central activities	**227,500**	**(217,641)**	**9,859**	172,525	(195,128)	(22,603)
Discontinued operations	**42,042**	**(42,657)**	**(615)**	46,214	(41,733)	4,481
Group eliminations	**(322,541)**	**322,541**	**—**	(293,693)	293,693	—
Group net assets	**176,997**	**(163,123)**	**13,874**	134,045	(123,710)	10,335

Other information

	2014 Capital additions £000	2014 Depreciation £000	2014 Amortisation £000	2013 (restated) Capital additions £000	2013 (restated) Depreciation £000	2013 (restated) Amortisation £000
Engineering Services	**4,716**	**2,797**	**2,231**	1,318	1,138	500
Specialist Building	**168**	**83**	**—**	84	68	—
Central activities	**5**	**13**	**—**	4	12	—
Discontinued operations	**132**	**82**	**—**	—	70	—
	5,021	**2,975**	**2,231**	1,406	1,288	500

Notes to the accounts continued

2 Segmental analysis continued

(b) Geographical analysis

Revenue is analysed as follows:

	2014 £000	2013 (restated*) £000
UK	**464,474**	298,161
USA	**—**	—
Group revenue from continuing activities	**464,474**	298,161

Non-current asset analysis of geographical segments

	Assets £000	Assets £000
UK	**80,536**	49,634

3 Operating profit

	2014 £000	2013 £000
Operating profit is arrived at after charging/(crediting):		
Auditor's remuneration – audit services	**255**	200
Depreciation of owned assets	**2,181**	668
Depreciation of assets held under finance leases	**712**	550
Operating lease rentals – plant and machinery	**691**	831
Operating lease rentals – motor vehicles	**792**	497
Operating lease rentals – other	**2,912**	3,297
Rental income	**(362)**	(1,006)
Profit on sale of property, plant and equipment	**(435)**	(110)

During the year, the following services were provided by the Group auditor:

	2014 £000	2013 £000
Fees payable to the Company's auditor for the audit of the financial statements	**38**	51
Fees payable to the Company's auditor and its associates for other services:		
Audit of the financial statements of the Company's subsidiaries pursuant to legislation	**217**	149
Other services related to tax and banking advice	**8**	14
	263	214

Exceptional items and amortisation of intangible assets

	2014 £000	2013 £000
Acquisition costs	**824**	196
Redundancy and restructuring costs	**—**	272
Profit arising from sale of land	**—**	(9,190)
Write down of land stock in the USA	**—**	4,919
Total losses/(gains) arising from exceptional items	**824**	(3,803)
Amortisation of intangible assets (see Note 9)	**2,231**	500
	3,055	(3,303)

The Board has determined that certain items in the income statement should be separately identified for better understanding of the Group's results.

During the year the Company acquired Forefront Group Ltd and Clarke Telecom Ltd and incurred £824,000 of costs associated with the acquisitions. In 2013 £196,000 of costs were incurred on the acquisition of Lewis Civil Engineering Ltd.

In 2013 the Group incurred £272,000 of exceptional redundancy and restructuring costs in respect of a regional non-specialist building office.

On 21 August 2013 the Company sold 71 acres of land near Rugby for a gross sum of £14,384,000 resulting in a profit of £9,190,000.

In 2013, as a result of changes to detailed planning and zoning agreements in respect of land owned by the Group in the USA, the Board wrote down the carrying value of these assets by £4,919,000.

The Board has also separately identified the charge of £2,231,000 (2013: £500,000) for the amortisation of the fair value ascribed to certain intangible assets, other than goodwill, arising from the acquisitions of Amco Group Holdings Ltd, Lewis Civil Engineering Ltd, Clarke Telecom Ltd and Forefront Group Ltd. Further details are given in Note 9.

3 Operating profit continued

Discontinued operations analysis

	2014 £000	2013 £000
Revenue	**49,992**	51,536
Expenses	**(54,124)**	(54,279)
Loss before income tax	**(4,132)**	(2,743)
Income tax expense – deferred tax	**(1,023)**	1,245
Loss for the year from discontinued operations	**(5,155)**	(1,498)

On 31 October 2014, Places for People Group Limited ("PFP") acquired 50% of the ordinary share capital of Allenbuild Ltd, a Specialist Building subsidiary. Following the practical completion of a number of partly completed contracts, the benefit of which will accrue to the Group, PFP will acquire the remaining 50%. This is expected to be in approximately 12 months' time. The trading result for this business has therefore been included within the loss for the year from discontinued operations and the comparative figures have been reclassified accordingly.

Discontinued expenses include the following exceptional items:

	2014 £000	2013 £000
Provision against amounts recoverable on old Building contracts	**2,528**	2,767
Costs related to exceptional storm damage on a Building contract	**1,500**	500
	4,028	3,267

The provision of £2,528,000 relates to settling final accounts and contractual issues on old contracts.

A further £1,500,000 of costs have been recognised following the exceptional storm damage experienced in 2013.

4 Finance income and costs

Finance income

Finance income of £182,000 (2013: £25,000) has been earned during the year on bank deposits.

	2014 £000	2013 £000
Interest payable:		
On bank loans and overdrafts	**(232)**	(282)
Other interest payable	**(195)**	(80)
	(427)	(362)

Other finance (expense)/income – defined benefit pension schemes

	2014 £000	2013 £000
Interest on scheme assets	**5,664**	6,080
Interest on scheme obligations	**(5,751)**	(6,037)
Net pension interest	**(87)**	43

Further information on the defined benefit pension schemes is set out in Note 24 to the accounts.

5 Employee numbers and remuneration

	2014 Number	2013 Number
The average monthly number of employees, including Executive Directors, employed in continuing activities during the year was:	**2,706**	1,869
At 30 September:	**3,121**	2,149
Production	**1,952**	1,220
Administrative	**754**	649
	2,706	1,869

Cost of staff, including Executive Directors, during the year amounted to:

	2014 £000	2013 £000
Wages and salaries	**98,518**	76,079
Social security costs	**10,490**	7,838
Other pension costs	**2,669**	2,454
Share based payments	**(98)**	101
	111,579	86,472

Directors' emoluments

	2014 £000	2013 £000
Aggregate emoluments	**1,383**	1,114
Highest paid Director: aggregate emoluments	**677**	556

Details of individual Directors' emoluments can be found in the Directors' Remuneration Report.

Notes to the accounts continued

6 Income tax expense

(a) Analysis of expense in year

	2014 £000	2013 £000
Current tax:		
UK corporation tax on profits of the year	**(2,265)**	(2,146)
Adjustments in respect of previous periods	**(227)**	10
Total current tax	**(2,492)**	(2,136)
Deferred tax – defined benefit pension schemes	**(594)**	(612)
Deferred tax – other timing differences	**(651)**	(540)
Total deferred tax	**(1,245)**	(1,152)
Income tax expense	**(3,737)**	(3,288)
Deferred tax in respect of discontinued operations	**1,023**	213
Income tax expense in respect of continuing activities	**(2,714)**	(3,075)

(b) Factors affecting income tax expense for the year

	2014 £000	2013 £000
Profit before income tax	**13,051**	13,045
Profit multiplied by standard rate of corporation tax in the UK of 22.0% (2013:23.5%)	**(2,871)**	(3,066)
Effects of:		
Expenses not deductible for tax purposes	**(1,341)**	(116)
Timing differences not provided in deferred tax	**(158)**	217
Change in tax rate	**(45)**	(94)
Net charge in respect of tax losses	**—**	(379)
Tax losses surrendered by discontinued operations	**905**	140
Deferred tax in respect of discontinued operations	**1,023**	213
Adjustments to tax charge in respect of previous periods	**(227)**	10
	(2,714)	(3,075)

The Group has available further unused UK tax losses of £42m (2013: £48m) to carry forward against future taxable profits. The Group also has unused USA tax losses of $17m (£10.5m) (2013: $16m (£10.2m)) to carry forward against future taxable profits in the USA. A substantial element of these losses relates to activities which are not forecast to generate the level of profits needed to utilise these losses. A deferred tax asset has been provided to the extent considered reasonable by the Directors, where recovery is expected to be recognisable within the foreseeable future. The unrecognised deferred tax asset in respect of these losses amounts to £10.6m (2013: £11.6m).

(c) Deferred tax asset

	2014 £000	2013 £000
Defined benefit pension scheme	**(148)**	709
Accelerated capital allowances	**743**	441
Other timing differences	**279**	122
Future tax losses	**1,867**	1,779
	2,741	3,051

(d) Deferred tax liabilities

	2014 £000	2013 £000
Defined benefit pension scheme	**(143)**	(192)
Fair value adjustments	**(1,606)**	(746)
	(1,749)	(938)

6 Income tax expense continued

(e) Reconciliation of deferred tax asset

	2014 £000	2013 £000
As at 1 October	**3,051**	2,929
Acquisition of Forefront Group and Clarke Telecom	**950**	113
Origination of timing differences	**(403)**	(105)
Change of deferred tax rate	**—**	(481)
Defined benefit pension schemes – income statement	**(554)**	(549)
Defined benefit pension schemes – SOCI	**(303)**	1,144
At 30 September	**2,741**	3,051

(f) Reconciliation of deferred tax liability

	2014 £000	2013 £000
As at 1 October	**(938)**	(1,039)
Acquisition of Forefront Group and Clarke Telecom	**(1,306)**	—
Arising on fair value adjustments	**446**	(243)
Change of deferred tax rate	**—**	99
Defined benefit pension schemes – income statement	**(40)**	(40)
Defined benefit pension schemes – SOCI	**89**	285
At 30 September	**(1,749)**	(938)

7 Dividends

	2014 Pence/share	2013 Pence/share
Interim (related to the year ended 30 September 2014)	**1.50**	1.10
Final (related to the year ended 30 September 2013)	**2.50**	2.10
Total dividend paid	**4.00**	3.20

	£000	£000
Interim (related to the year ended 30 September 2014)	**923**	658
Final (related to the year ended 30 September 2013)	**1,538**	1,259
Total dividend paid	**2,461**	1,917

Dividends are recorded only when authorised and are shown as a movement in equity rather than as a charge in the income statement. The Directors are proposing that a final dividend of 3.50p per Ordinary Share be paid in respect of the year ended 30 September 2014. This will be accounted for in the 2014/15 financial year.

8 Earnings per share

	2014			2013 (restated)		
	Earnings £000	EPS Pence	DEPS Pence	Earnings £000	EPS Pence	DEPS Pence
Earnings before exceptional items and amortisation	**12,781**	**20.80**	**20.51**	7,427	12.38	12.25
Exceptional items and amortisation	**(2,444)**	**(3.97)**	**(3.92)**	2,543	4.24	4.20
Basic earnings per share – continuing activities	**10,337**	**16.83**	**16.59**	9,970	16.62	16.45
Loss for the year from discontinued operations	**(5,155)**	**(8.39)**	**(8.27)**	(1,498)	(2.50)	(2.47)
Basic earnings per share	**5,182**	**8.44**	**8.32**	8,472	14.12	13.98
Weighted average number of shares		**61,431**	**62,313**		59,998	60,624

The dilutive effect of share options is to increase the number of shares by 882,000 (2013: 626,000) and reduce basic earnings per share by 0.12p (2013: 0.14p).

Accounts

Notes to the accounts continued

9 Intangible assets

	Goodwill £000	Contractual rights and customer relationships £000
Cost:		
At 1 October 2012	27,726	4,072
Additions	6,142	2,209
Hindsight adjustment (Note 28)	414	—
At 1 October 2013	34,282	6,281
Additions	21,062	6,042
Reclassified as Assets held for resale	(1,250)	—
At 30 September 2014	**54,094**	**12,323**
Impairment losses/amortisation:		
At 1 October 2012	808	1,822
Charge for year	—	500
At 1 October 2013	808	2,322
Charge for year	—	2,231
At 30 September 2014	**808**	**4,553**
Carrying amount:		
At 30 September 2014	**53,286**	**7,770**
At 30 September 2013	33,474	3,959
At 30 September 2012	26,918	2,250

The carrying amounts of goodwill by operating segment are as follows:

	2014 £000	2013 £000
Specialist Building	**1,253**	2,503
Specialist Engineering	**52,033**	30,971
	53,286	33,474

£1,250,000 of goodwill has been reclassified as Assets held for resale in respect of the disposal of Allenbuild Ltd subsequent to the balance sheet date.

Goodwill of £6,142,000 was acquired on the acquisition of Lewis Civil Engineering Ltd and was reviewed for impairment one year after the acquisition and then will be on an ongoing basis as required by IFRS 3. No impairment was identified. Goodwill has increased by £414,000 as a result of a fair value hindsight adjustment. Details are set out in Note 28.

Clarke Telecom

Goodwill of £11,143,000 was acquired on the acquisition of Clarke Telecom Ltd and will be reviewed for impairment one year after the acquisition and then on an ongoing basis as required by IFRS 3. Details are set out in Note 26.

Forefront Group

Goodwill of £9,919,000 was acquired on the acquisition of Forefront Group Ltd and will be reviewed for impairment one year after the acquisition and then on an ongoing basis as required by IFRS 3. Details are set out in Note 27.

Amortisation charges in respect of intangible assets with a finite life are recorded within administrative expenses in the income statement. The amortisation policy is disclosed in the accounting policies and approximates to a period of 5 years.

In order to test goodwill for impairment the Group performs value in use calculations by preparing cash flow forecasts for each cash generating unit derived from the most recent financial budgets and strategic plans approved by management going forward 3 years, and then extrapolates cash flows based on conservative estimated growth rates which do not exceed GDP growth in the longer term according to management's view of longer term prospects for each cash generating unit. The cash generating units are deemed to be the subsidiaries to which the goodwill relates. Management used growth rates deemed to be appropriate to each cash generating unit after reviewing the particular market conditions related to the sector in which the cash generating unit operates. Growth rates of between 3% and 6% per annum have been used. The rate used to discount the forecast cash flows is 8% as the Board considers the rate appropriate in the current financial market as an approximation to the cost of funds to the Group. The calculation shows that there is substantial headroom, and the impairment calculations are not particularly sensitive to changes in the discount rate applied.

10 Property, plant and equipment

	Freehold land and buildings £000	Long leasehold land and buildings £000	Plant, vehicles and equipment £000	Total £000
Cost:				
At 1 October 2012	1,826	75	5,011	6,912
Additions	8	—	1,398	1,406
Asset reclassification	(187)	—	187	—
Disposals	(1,613)	—	(1,445)	(3,058)
Acquisition of subsidiary	1,679	—	3,445	5,124
At 1 October 2013	1,713	75	8,596	10,384
Additions	—	—	5,021	5,021
Disposals	—	—	(3,888)	(3,888)
Acquisition of subsidiary	—	—	5,284	5,284
At 30 September 2014	**1,713**	**75**	**15,013**	**16,801**
Depreciation:				
At 1 October 2012	75	75	2,072	2,222
Charge for year	14	—	1,274	1,288
Disposals	—	—	(1,314)	(1,314)
At 1 October 2013	89	75	2,032	2,196
Charge for year	16	—	2,959	2,975
Disposals	—	—	(3,653)	(3,653)
At 30 September 2014	**105**	**75**	**1,338**	**1,518**
Net book value:				
At 30 September 2014	**1,608**	**—**	**13,675**	**15,283**
At 30 September 2013	1,624	—	6,564	8,188
At 30 September 2012	1,751	—	2,939	4,690

The net book value of assets under finance leases at 30 September 2014 was £7,376,000 (2013: £3,947,000).

During the year £712,000 (2013: £550,000) of depreciation was charged against assets held under finance leases.

11 Inventories

	2014 £000	2013 £000
Developments and undeveloped land	**3,242**	3,057
Raw materials	**826**	138
	4,068	3,195

£1.1m (2013: £0.2m) of inventories are pledged as security for liabilities.

12 Trade and other receivables

	2014 £000	2013 £000
Trade receivables	**84**	110
Amounts due from construction contract customers	**75,752**	69,652
Other receivables	**4,131**	4,638
Prepayments and accrued income	**5,590**	1,468
	85,557	75,868

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Included in trade and other receivables are debtors with a carrying value of £3.3m (2013: £2.8m) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the Group believes that the amounts are still considered recoverable since there is no objective evidence that these financial assets are impaired. The Group does not hold any collateral over these balances. The average age of these receivables is 255 days (2013: 328 days).

Notes to the accounts continued

12 Trade and other receivables continued

Ageing of past due but not impaired receivables:

	2014 £000	2013 £000
30–180 days	**1,649**	705
180–365 days	**675**	748
Greater than 1 year	**932**	1,386
	3,256	2,839

13 Construction contracts

	2014 £000	2013 £000
Contracts in progress at balance sheet date:		
Amounts due from construction contract customers included in trade and other receivables	**75,752**	69,652
Amounts due to construction contract customers included in trade and other payables	**(3,499)**	(4,831)
	72,253	64,821
Contract costs incurred plus recognised profits less recognised losses to date	**2,902,146**	2,649,406
Less: progress billings	**(2,829,893)**	(2,584,585)
	72,253	64,821

At 30 September 2014 retentions held by customers amounted to £13.6m (2013: £11.6m). Advances received from customers for contract work amounted to £3.5m (2013: £4.8m).

Amounts due from construction contract customers which are past due at the reporting date amounted to £3.3m (2013: £2.8m).

This amount includes retention balances of £1.5m (2013: £2.1m). The Group does not hold any collateral over these balances or other trade and other receivables.

Contract revenue recognised in the year amounted to £464.5m (2013: £282.7m).

14 Cash and cash equivalents

	2014 £000	2013 £000
Cash at bank	**5,570**	5,339
Cash in hand	**16**	9
	5,586	5,348

15 Trade and other payables

	2014 £000	2013 £000
Amounts due to construction contract customers	**3,499**	4,831
Trade payables	**36,840**	28,979
Other taxation and social security	**4,114**	4,093
Other payables	**9,643**	7,127
Accruals and deferred income	**76,945**	67,319
	131,041	112,349

16 Borrowings

	2014 £000	2013 £000
Bank loans and overdrafts repayable:		
Within one year	**6,200**	2,500
Within two to five years	**15,500**	—
	21,700	2,500

The bank loans and overdrafts are secured by a fixed and floating charge over the Group's assets.

17 Obligations under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	**2014**	2013
	£000	£000	**£000**	£000
Amounts payable under finance leases:				
Within one year	**2,994**	1,633	**2,764**	1,509
Within two to five years	**3,874**	2,147	**3,575**	1,984
	6,868	3,780	**6,339**	3,493
Less: future finance charges	**(529)**	(287)	**—**	—
Present value of lease obligations	**6,339**	3,493	**6,339**	3,493
Less: amount due for settlement within twelve months			**(2,764)**	(1,509)
Amount due for settlement after twelve months			**3,575**	1,984

It is the Group's policy to lease certain of its plant, vehicles and equipment under finance leases. The average outstanding lease term is 3 years (2013: 3 years). For the year ended 30 September 2014, the average effective borrowing rate was 3% (2013: 3%). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangement has been entered into for contingent rental payments.

All lease obligations are denominated in sterling. The fair value of the Group's lease obligations approximates to their carrying amount. The Group's obligations under finance leases are secured on the asset to which the lease relates.

18 Provisions

	Property obligations £000
At 1 October 2013	732
Amount provided during the year	868
At 30 September 2014	**1,600**
Non-current liabilities	1,232
Current liabilities	368
At 30 September 2014	**1,600**

Property obligations represent commitments on leases for properties which the Group does not occupy where the Group does not expect to receive income sufficient to cover the full commitment. The provision represents outflows which are expected to occur over the next five years.

19 Other financial instruments

The Group's principal financial instruments comprise bank loans, cash and short-term deposits and obligations under finance leases. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial instruments such as trade receivables and trade payables that arise directly from its operations.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The disclosures below provide information about the contractual terms of the Group's interest bearing deposits, loans and borrowings.

Interest rate profile of financial assets and liabilities

		Financial assets/(liabilities)		
	Fixed rate interest rate %	Fixed rate £000	Floating rate £000	Total £000
2014				
Assets				
Sterling	**—**	**—**	**5,488**	**5,488**
Dollar	**—**	**—**	**82**	**82**
		—	**5,570**	**5,570**
Liabilities				
Sterling	**3.0**	**(6,339)**	**(21,700)**	**(28,039)**
		(6,339)	**(21,700)**	**(28,039)**
	%	£000	£000	£000
2013				
Assets				
Sterling	—	—	5,127	5,127
Dollar	—	—	212	212
		—	5,339	5,339
Liabilities				
Sterling	3.0	(3,493)	(2,500)	(5,993)
		(3,493)	(2,500)	(5,993)

Notes to the accounts continued

19 Other financial instruments continued

Interest rate profile of financial assets and liabilities continued

The interest bearing assets accrue interest at prevailing market rates. Generally the Group holds deposits which are repayable on demand.

The sterling interest bearing liabilities accrue interest at a rate which is linked to the lender's base rate or LIBOR.

The maturity of the fixed rate financial liabilities is disclosed in Note 17. The fixed rate liabilities have a weighted average period of 3 years (2013: 3 years).

Fair value of financial assets and liabilities

There are no material differences between fair value and the book value of the Group's financial assets and liabilities.

Financial risks

The Group has exposure to a number of financial risks through the conduct of its operations. Risk management is governed by the Group's operational policies, guidelines and authorisation procedures which are outlined in the Corporate governance statement. The key financial risks resulting from financial instruments are credit, liquidity, currency and market risk.

a) Credit risk

Credit risk is the risk of loss if a customer fails to meet its financial obligations and results primarily from the Group's trade and other receivables. The degree to which the Group is exposed to this risk depends on the individual financial situation of each specific customer. The Group does not have any risk from a concentration of trade or other receivables in any customer or group of customers. The Group assesses the credit worthiness of every customer prior to entering into any contract and requires appropriate evidence of financial capability on a case by case basis. The Group reviews trade and other receivables for impairment on a regular basis and information relating to the ageing of receivables is provided in Note 12.

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board is responsible for ensuring that the Group has sufficient liquidity to meet its financial liabilities as they fall due and does so by monitoring cashflow forecasts and budgets. The Board has considered the cashflow forecasts for the next twelve months which show that the Group expects to operate within its working capital facilities throughout the year.

The Board aims to maintain a strong capital base so as to ensure investor and market confidence and to sustain the future of the business. The capital structure of the Group consists of equity attributable to equity holders of the Company as disclosed in Note 20 and reserves as disclosed in Note 21. The Group arranges loans and short term overdraft facilities and hire purchase facilities as the Board deems necessary. The Group does not have any derivative or non-derivative financial liabilities other than those disclosed in Notes 15 to 17 and the retirement benefit obligations disclosed in Note 24. An analysis of the maturity profile for finance lease liabilities is given in Note 17.

c) Currency risk

The only exposure of the Group to currency risk (i.e. exposure to gains or losses on foreign exchange which would be recognised in the income statement) is in respect of the unhedged portion of an inter-company loan. At 30 September 2014 the unhedged portion of the inter-company loan was $1,771,000 (2013: $771,000). The dollar closing exchange rate was $1.62: £1 (2013: $1.62: £1) resulting in a foreign exchange gain of £18,000 (2013: loss £23,000) being charged to finance costs. Consequently, to the extent that the inter-company loan is not fully hedged, the income statement may be impacted by exchange rate movements. Exchange rate movement on translation of Lovell America, Inc's net assets are charged to the cumulative translation adjustment within total equity. The exchange gain arising on the translation of Lovell America Inc's net assets was £1,000. The total equity statement would be impacted by £58,000 for each $0.01 movement in exchange rates.

All functional currencies of the Group operations are denominated in sterling, with the exception of the US operations whose functional currency is the US dollar.

d) Market risk

Market risk is the risk that changes in market prices will affect the Group's income or the carrying amount of its holding of financial instruments. The principal risk relates to interest rates where the Group's risk is limited to the rates applying to its interest bearing short-term deposits and its bank loan. A reduction in market interest rates could lead to a reduction in the Group's interest income and a reduction in its interest costs. Consequently a 1% decrease in market interest rates would reduce annual finance costs by £10,000 for every £1m of outstanding loan.

The Group's hire purchase financial liabilities are all at fixed rates of interest.

20 Share capital

	2014	2013
	£000	£000
Allotted, called up and fully paid:		
61,517,948 (2013: 61,403,668) Ordinary Shares of 10p each	**6,152**	6,140

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

During the year 114,280 Ordinary Shares were issued following the exercise of options under the Approved element of the Renew Holdings plc Executive Share Option Scheme.

Share options

Renew Holdings 2004 Executive Share Option Scheme

The Group operates a share option scheme, the Renew Holdings 2004 Executive Share Option Scheme. The scheme has both an Approved and Unapproved element. The difference between the two elements is that the Approved scheme has the advantage of certain HMRC approved tax benefits.

20 Share capital continued

Share options continued

Renew Holdings 2004 Executive Share Option Scheme continued

Both elements have the same general terms and conditions. Options issued under the scheme must be held for three years before they can vest and become exercisable. They must be exercised within ten years from the date of grant.

All options granted under this scheme have vested and have been exercised.

Renew Holdings plc Long Term Incentive Plan

At the Annual General Meeting held on 25 January 2012 the shareholders approved a new long term incentive plan ("LTIP") which replaced the Renew Holdings plc 2004 Executive Share Option Scheme as the Directors believed that the LTIP was a more effective method of aligning executive and shareholder interests.

On 2 March 2012, the company granted options to subscribe for 400,000 Ordinary Shares pursuant to the LTIP. On 20 December 2012, options to subscribe for a further 400,000 Ordinary Shares were granted. On 3 January 2014, options to subscribe for a further 253,165 Ordinary Shares were granted.

The options are exercisable at a nominal cost from 2 March 2015 in respect of those granted on 2 March 2012, from 20 December 2015 in respect of those granted on 20 December 2012, and from 3 January 2017 in respect of those granted on 3 January 2014 subject to the achievement of certain performance criteria.

Vesting of one half of the options is dependent on absolute growth in the Company's Total Shareholder Return ('TSR'), and the other half is dependent on the Company's TSR performance as compared to the TSR achieved by other companies in a comparator group of nine companies selected by the Remuneration Committee. All TSR calculations are based on the average of the opening and closing share price over a thirty day period prior to the commencement and the end of the performance period.

The absolute TSR growth target requires the Company's TSR over the three year performance period to grow by more than 25%. For TSR growth between 25% and 100%, the half of the option which is subject to the absolute TSR growth target vests on a straight-line basis from nil vesting at 25% growth, to 100% vesting at 100% growth. There will be no vesting if TSR growth is 25% or less.

The comparator group TSR performance target measures the Company's TSR over the three year performance period against the TSR of a group of nine companies selected by the Remuneration Committee. If the Company's TSR performance falls below the median performance of the comparator group then the options lapse forthwith. If the Company is ranked within the top decile of the comparator group the options shall vest in full. If the Company's TSR performance is ranked between the median position and the top decile of the comparator group then the options shall vest on a straight line basis from nil, at or below the median position, to 100% at the top decile.

21 Reserves

	Share premium account £000	Capital redemption reserve £000	Cumulative translation reserve £000	Share based payments reserve £000	Retained earnings £000
At 1 October 2012	5,893	3,896	775	289	(7,949)
Transfer from income statement for the year					8,597
Dividends paid					(1,917)
Recognition of share based payments				101	
Exchange differences			(24)		
Actuarial loss recognised in pension scheme					(6,895)
Movement on deferred tax relating to the pension scheme					1,429
At 1 October 2013	5,893	3,896	751	390	(6,735)
Transfer from income statement for the year					5,182
Dividends paid					(2,461)
Recognition of share based payments				(98)	
New shares issued	49				
Exchange differences			1		
Actuarial gain recognised in pension scheme					1,068
Movement on deferred tax relating to the pension scheme					(214)
At 30 September 2014	**5,942**	**3,896**	**752**	**292**	**(3,160)**

There is no available analysis of goodwill written off against reserves in respect of subsidiaries that were acquired prior to 1989 and therefore, in accordance with the guidance of IFRS 3, the Directors are not able to state this figure.

Capital redemption reserve

This reserve represents the combined impact of share buy-backs in previous years.

Cumulative translation reserve

This reserve represents the foreign exchange movement on translating the opening net assets of Lovell America Inc.

Share based payments reserve

Renew Holdings 2004 Executive Share Option Scheme

114,280 options were exercised during the year (2013: 1,504,741).

Following the exercise of all outstanding options under this scheme, the fair value of those options as assessed at the date of grant has been charged against the share payments reserve. £259,000 has been credited (2013: Nil) to administrative expenses.

Notes to the accounts continued

21 Reserves continued

Share based payments reserve continued

Renew Holdings plc Long Term Incentive Plan

Fair value has been independently measured by PricewaterhouseCoopers LLP using a Monte Carlo model methodology. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period, based on the Board's estimate of shares that will eventually vest.

£161,000 has been charged (2013: £101,000) to administrative expenses. There is no impact on net assets since an equivalent amount has been credited to the share based payments reserve. No options were exercised during the year. The value per option represents the fair value of the option less the consideration payable.

The expected volatility has been calculated based on weekly historical volatility of the Company's share price over the three years prior to the date of grant. The risk free rate of return has been based on the yields available on three year UK government bonds as at the date of grant.

Options granted under the Renew Holdings plc Long Term Incentive Plan over the Company's Ordinary Shares at 30 September 2014 were as follows:

Date of grant	2 March 2012	20 December 2012	3 January 2014	Total
Awards outstanding at 30 September 2014				
– Directors	400,000	400,000	253,165	1,053,165
Exercise price	0.0p	0.0p	0.0p	—
Price at date of grant	75.0p	87.0p	180.0p	—
Maximum option life	10 years	10 years	10 years	—
Assumed option life for purposes of valuation	3 years	3 years	3 years	—
Expected volatility	46%	36%	32%	—
Dividend yield	4.0%	3.6%	2.0%	—
Risk free interest rate	0.43%	0.48%	1.03%	—
Value per option	40.0p	30.0p	87.5p	—

22 Capital and leasing commitments

	Land and buildings £000	**Other £000**	**Total 2014 £000**	Total 2013 £000
Commitments under non-cancellable operating leases:				
Under one year	**2,610**	**1,043**	**3,653**	2,570
Two to five years	**7,659**	**1,201**	**8,860**	5,701
Five or more years	**12,850**	**—**	**12,850**	15,795
	23,119	**2,244**	**25,363**	24,066

With regard to the operating leases held by the Group as lessor, the Group recognised £362,000 (2013: £1,006,000) of rental income in the income statement for 2014, relating to sub-letting of surplus premises.

The future minimum sub-lease receipts expected to be received under non-cancellable operating leases are as follows:

	Land and buildings £000	**Other £000**	**Total 2014 £000**	Total 2013 £000
Receivables under non-cancellable operating leases:				
Under one year	**153**	**—**	**153**	195
Two to five years	**295**	**—**	**295**	400
Five or more years	**48**	**—**	**48**	95
	496	**—**	**496**	690

The Group had no capital commitments at 30 September 2014 (2013: £229,000).

23 Contingent liabilities

Under the terms of the Group's banking agreement, security over the Group's assets has been granted to the Group's bankers.

24 Employee benefits: Retirement benefit obligations

Defined benefit pension schemes

The Group operates two defined benefit pension schemes, the Lovell Pension Scheme and the Amco Pension Scheme. Both schemes have been closed to new members and to further benefits accrual for many years.

IAS 19 "Employee Benefits"

The Directors have adopted the accounting required by IAS 19 with effect from the transition date. The Directors have discussed the assumptions used in determining the actuarial valuations set out below with independent pensions advisors and have determined that they are appropriate. The Lovell scheme's valuation at 30 September 2014 shows a surplus of £740,000 based on the assumptions set out below. The Amco scheme shows a surplus of £716,000 based on the assumptions used in its valuation which are similar to those used for the Lovell scheme except where the Directors, in consultation with the scheme's advisors, consider it appropriate to vary them due to the different characteristics of the Amco scheme and its membership profile. The Directors have determined that it is appropriate to recognise these surpluses as, having reviewed the rules of both schemes, they are of the view that the employer has an unconditional right to them.

24 Employee benefits: Retirement benefit obligations continued

IAS 19 "Employee Benefits" continued

The following disclosures required by IAS 19 have been based on the most recent actuarial valuation as at 30 September 2014 carried out by Lane Clark & Peacock LLP, Consulting Actuaries, in respect of the Lovell scheme and Capita Employee Benefits (Consulting) Ltd in respect of the Amco scheme using the following assumptions:

	As at 30 September 2014	As at 30 September 2013	As at 30 September 2012
Lovell Pension Scheme			
Rate of increase in salaries	**4.0%**	4.0%	4.0%
LPI increases to pensions in payment	**3.0%**	3.1%	3.2%
Discount rate	**3.9%**	4.5%	5.2%
Inflation assumption (CPI)	**3.1%**	2.2%	2.5%
Inflation assumption (RPI)	**2.1%**	3.2%	3.2%
Increases in deferred pensions	**3.1%**	2.2%	3.1%
Amco Pension Scheme			
Rate of increase in salaries	**3.3%**	3.2%	4.0%
LPI increases to pensions in payment	**2.7%**	2.7%	2.7%
Discount rate	**3.9%**	4.5%	4.4%
Inflation assumption (CPI)	**2.3%**	2.2%	2.0%
Inflation assumption (RPI)	**3.3%**	3.2%	2.7%
Increases in deferred pensions	**2.3%**	2.2%	2.7%

The mortality tables adopted for the valuation of the Lovell scheme are the S1NA tables with future improvements in line with the Continuing Mortality Investigations 2013 model with long term improvement rates of 1.25% per annum for both males and females. The Directors believe that this analysis provides a more reliable estimate of the mortality characteristics of the scheme's membership. Under these assumptions, a 60 year old male pensioner is forecast to live for a further 27.7 years and the life expectancy of a male aged 60 in 2033 is 29.9 years.

The mortality tables adopted for the valuation of the Amco scheme are the S1PA Mortality tables based on the mortality experience of pension scheme members with projected longevity improvements and with an additional allowance for future longevity improvements known as the long cohort adjustment. The Directors believe that this analysis provides a more reliable estimate of the mortality characteristics of the scheme's membership. Under these assumptions, a 65 year old male pensioner is forecast to live for a further 21.6 years and the life expectancy of a male aged 65 in 2034 is 23.4 years.

The assets in the Lovell scheme were:

	Value as at 30 September 2014 £000	**Current allocation**	Value as at 30 September 2013 £000	Current allocation	Value as at 30 September 2012 £000	Current allocation
Annuities	**43,410**	**30%**	43,136	34%	44,797	35%
Diversified portfolio	**101,002**	**69%**	84,631	66%	83,187	65%
Cash	**1,180**	**1%**	(19)	—	(158)	—
Total	**145,592**	**100%**	127,748	100%	127,826	100%

During 2011, the Trustees of the Lovell scheme, in consultation with the Directors, used scheme assets to purchase annuities which match certain pension liabilities in a transaction known as a "buy in". This asset provides protection against falls in gilt yields and risks in the performance of other asset classes.

The assets in the Amco scheme were:

	Value as at 30 September 2014 £000	**Current allocation**	Value as at 30 September 2013 £000	Current allocation	Value as at 30 September 2012 £000	Current allocation
Annuities	**7,270**	**51%**	6,950	52%	—	—
Diversified portfolio	**6,427**	**45%**	5,951	44%	6,358	44%
Gilts	**—**	**—**	—	—	3,556	24%
Bonds	**—**	**—**	—	—	4,195	29%
Cash	**585**	**4%**	594	4%	406	3%
Total	**14,282**	**100%**	13,495	100%	14,515	100%

During 2013, the Trustees of the Amco scheme, in consultation with the Directors, used scheme assets to purchase annuities which match certain pension liabilities in a transaction known as a "buy in". This asset provides protection against falls in gilt yields and risks in the performance of other asset classes.

Notes to the accounts continued

24 Employee benefits: Retirement benefit obligations continued

IAS 19 "Employee Benefits" continued

The following amounts at 30 September were measured in accordance with the requirements of IAS 19.

Lovell Pension Scheme

	2014 £000	2013 £000
Movements in scheme assets and obligations		
Total fair value of scheme assets brought forward	**127,768**	127,826
Interest on scheme assets	**5,664**	5,537
Employer contributions	**2,917**	2,745
Benefits paid	**(7,105)**	(7,172)
Actual return on scheme assets less interest on scheme assets	**16,348**	(1,168)
Total fair value of scheme assets carried forward	**145,592**	127,768
Present value of scheme obligations brought forward	**131,313**	128,395
Interest on scheme obligations	**5,751**	5,494
Current service costs	**59**	53
Benefits paid	**(7,105)**	(7,172)
Actuarial gains due to experience on benefit obligation	**—**	(80)
Actuarial losses/(gains) due to changes in financial assumptions	**11,041**	(502)
Actuarial losses due to changes in demographic assumptions	**3,793**	5,125
Total fair value of scheme obligations carried forward	**144,852**	131,313
Surplus/(deficit) in the scheme	**740**	(3,545)
Deferred tax	**(148)**	709
Net surplus/(deficit)	**592**	(2,836)
Amount charged to operating profit:		
Current service cost	**(59)**	(53)
	(59)	(53)
Amount (charged)/credited to other financial income:		
Interest on scheme assets	**5,664**	5,537
Interest on scheme obligations	**(5,751)**	(5,494)
Net pension interest	**(87)**	43
Amounts recognised in the statement of comprehensive income:		
Actual return on scheme assets less interest on scheme assets	**16,348**	(1,168)
Actuarial losses due to changes in assumptions on scheme obligations	**(14,834)**	(4,543)
Actuarial gain/(loss)	**1,514**	(5,711)
Movement in the net scheme surplus/(deficit) during the year:		
Net scheme deficit brought forward	**(3,545)**	(569)
Current service cost	**(59)**	(53)
Cash contribution	**2,917**	2,745
Other finance (costs)/income	**(87)**	43
Actuarial gain/(loss)	**1,514**	(5,711)
Net scheme surplus/(deficit) carried forward	**740**	(3,545)

24 Employee benefits: Retirement benefit obligations continued

IAS 19 "Employee Benefits" continued

The following amounts at 30 September were measured in accordance with the requirements of IAS 19.

Amco Pension Scheme

	2014 £000	2013 £000
Movements in scheme assets and obligations		
Total fair value of scheme assets brought forward	**13,495**	14,515
Expected return on scheme assets	**550**	543
Employer contributions	**200**	201
Benefits paid	**(694)**	(797)
Actual return on scheme assets less interest on plan assets	**731**	(967)
Total fair value of scheme assets carried forward	**14,282**	13,495
Present value of scheme obligations brought forward	**12,533**	12,695
Interest on scheme obligations	**550**	543
Benefits paid	**(694)**	(797)
Actuarial losses due to changes in financial and demographic assumptions	**1,177**	92
Total fair value of scheme obligations carried forward	**13,566**	12,533
Surplus in the scheme	**716**	962
Deferred tax	**(143)**	(192)
Net surplus	**573**	770
Amount credited to other financial income:		
Interest on scheme assets	**550**	543
Interest on scheme obligations	**(550)**	(543)
Net pension interest	**—**	—
Amounts recognised in the statement of comprehensive income:		
Actual return on scheme assets less interest on scheme assets	**731**	(967)
Actuarial losses due to changes in assumptions on scheme obligations	**(1,177)**	(92)
Actuarial loss	**(446)**	(1,059)
Movement in the net scheme surplus during the year:		
Net scheme surplus brought forward	**962**	1,820
Cash contribution	**200**	201
Actuarial loss	**(446)**	(1,059)
Net scheme surplus carried forward	**716**	962

Lovell Pension Scheme

	2014	2013	2012	2011	2010
Actual return on scheme assets less interest on scheme assets	**£16,348,000**	£(1,168,000)	£6,891,000	£(10,685,000)	£13,114,000
As a percentage of the assets at the end of the year	**11.2%**	(0.9)%	5.4%	(9.0)%	10.4%
Experience gains on scheme obligations	**—**	—	—	£1,349,000	£2,100,000
As a percentage of the obligations at the end of the year	**—**	—	—	1.1%	1.7%
Total amount recognised in the statement of comprehensive income	**£1,514,000**	£(5,711,000)	£(3,972,000)	£(5,151,000)	£1,164,000
As a percentage of the obligations at the end of the year	**1.0%**	(0.9)%	(3.1)%	(4.3)%	0.9%

The Lovell scheme has been in operation for many years and, after taking advice from the Group's pensions advisors, the Directors have determined that it is not possible to allocate the assets and liabilities of the scheme between the various Group companies. As permitted by IAS 19, the Group has taken advantage of the multi-employer exemption and the surplus/(deficit) of the scheme is accounted for as an unallocated consolidation adjustment.

Notes to the accounts continued

24 Employee benefits: Retirement benefit obligations continued

IAS 19 "Employee Benefits" continued

Amco Pension Scheme

	2014	2013	2012	2011
Actual return on scheme assets less interest on scheme assets	**£731,000**	£(967,000)	£1,346,000	£(58,000)
As a percentage of the assets at the end of the year	**5.1%**	(7.2)%	9.3%	(0.4)%
Experience gains on scheme obligations	**—**	—	—	£490,000
As a percentage of the obligations at the end of the year	**—**	—	—	4.1%
Total amount recognised in the statement of comprehensive income	**£(446,000)**	£(1,059,000)	£530,000	£(114,000)
As a percentage of the obligations at the end of the year	**3.3%**	(8.4)%	4.2%	(1.0)%

The Amco scheme's sole employer is the Company's wholly owned subsidiary, Amalgamated Construction Ltd.

Defined contribution pension scheme

The Group operates a number of defined contribution pension schemes and individual stakeholder pension plans for its employees. The Group made contributions of £2,669,000 (2013: £2,454,000) into these plans during the year. There are also £152,000 (2013: £117,000) of accruals relating to these plans.

25 Related parties

The Group has a related party relationship with its key management personnel who are the Main Board Directors: B W May, J Samuel, P Scott, R J Harrison, J Bishop and D M Forbes, whose total compensation amounted to £1,383,000 all of which was represented by short-term employment benefits.

There were no other transactions with key management personnel in the year.

26 Acquisition of subsidiary undertaking – Clarke Telecom Ltd

On 29 April 2014, the Company acquired the whole of the issued share capital of Clarke Telecom Ltd ("Clarke") for a consideration of £17.1m, all of which was paid in cash. The acquisition was funded from the Group's cash resources and a four year loan of £12m provided by HSBC Bank plc.

The value of the assets and liabilities of Clarke at the date of acquisition were:

	Book value £000	Adjustments £000	Fair value £000
Non-current assets			
Intangible assets – goodwill	1,294	9,849	11,143
– other	—	3,710	3,710
Property, plant and equipment	1,254	—	1,254
Deferred tax assets	1,074	(504)	570
	3,622	13,055	16,677
Current assets			
Inventories	253	—	253
Trade and other receivables	9,371	—	9,371
Cash and cash equivalents	383	—	383
	10,007	—	10,007
Total assets	13,629	13,055	26,684
Non-current liabilities			
Obligations under finance leases	(407)	—	(407)
	(407)	—	(407)
Current liabilities			
Trade and other payables	(7,625)	(1,191)	(8,816)
Obligations under finance leases	(257)	—	(257)
Current tax liability	(151)	—	(151)
	(8,033)	(1,191)	(9,224)
Total liabilities	(8,440)	(1,191)	(9,631)
Net assets	5,189	11,864	17,053

Goodwill of £11,143,000 arises on acquisition and will be reviewed for impairment one year after the acquisition as permitted by IFRS 3. The goodwill is attributable to the expertise and workforce of the acquired business. Other intangible assets, provisionally valued at £3,710,000, representing customer relationships and contractual rights, were also acquired and will be amortised over their useful economic life in accordance with IFRS 3. Deferred tax has been provided on this amount. Amortisation of this intangible asset commenced from May 2014.

Fair value adjustments arising from the acquisition

In accordance with IFRS 3, the Board will review the fair value of assets and liabilities using information available up to 12 months after the date of acquisition. Fair value has been calculated using Level 3 inputs as defined by IFRS 13.

26 Acquisition of subsidiary undertaking – Clarke Telecom Ltd continued

Fair value adjustments arising from the acquisition continued

Trade and other payables

Subsequent to the date of acquisition, two loss making contracts have been identified resulting in a fair value adjustment of £1.0m. Contract losses have been calculated based on projected cash flows from the date of acquisition until forecast contract completion date. Accruals have been adjusted by £0.2m to ensure that holiday pay is consistent with IAS 19 Employee Benefits, and bonus accruals are aligned with Group accounting policies. Deferred tax assets have been adjusted accordingly.

Goodwill impairment review

The Board has reviewed the goodwill arising on acquisition for impairment as required by IFRS 3. No such impairment was identified.

If the acquisition of Clarke had occurred on 1 October 2013, Group revenue would have been approximately £482m and profit from continuing activities for the year ended 30 September 2014 would have been approximately £12m.

27 Acquisition of subsidiary undertaking – Forefront Group Ltd

On 1 August 2014, the Company acquired the whole of the issued share capital of Forefront Group Ltd ("Forefront") for a consideration of £14.8m, all of which was paid in cash. The acquisition was funded from the Group's cash resources and a four year loan of £12m provided by HSBC Bank plc.

The value of the assets and liabilities of Forefront at the date of acquisition were:

	Book value £000	Adjustments £000	Fair value £000
Non-current assets			
Intangible assets – goodwill	—	9,919	9,919
– other	—	2,332	2,332
Property, plant and equipment	4,030	—	4,030
	4,030	12,251	16,281
Current assets			
Inventories	284	—	284
Trade and other receivables	5,474	—	5,474
Current tax asset	62	—	62
	5,820	—	5,820
Total assets	9,850	12,251	22,101
Non-current liabilities			
Obligations under finance leases	(948)	—	(948)
Deferred tax liabilities	(109)	(465)	(574)
	(1,057)	(465)	(1,522)
Current liabilities			
Bank overdraft	(646)	—	(646)
Trade and other payables	(5,072)	(8)	(5,080)
Obligations under finance leases	(37)	—	(37)
	(5,755)	(8)	(5,763)
Total liabilities	(6,812)	(473)	(7,285)
Net assets	3,038	11,778	14,816

Goodwill of £9,919,000 arises on acquisition and will be reviewed for impairment one year after the acquisition as permitted by IFRS 3. The goodwill is attributable to the expertise and workforce of the acquired business. Other intangible assets, provisionally valued at £2,332,000, representing customer relationships and contractual rights, were also acquired and will be amortised over their useful economic life in accordance with IFRS 3. Deferred tax has been provided on this amount. Amortisation of this intangible asset commenced from August 2014.

Fair value adjustments arising from the acquisition

In accordance with IFRS 3, the Board will review the fair value of assets and liabilities using information available up to 12 months after the date of acquisition. Fair value has been calculated using Level 3 inputs as defined by IFRS 13.

Trade and other payables

Accruals have been adjusted to ensure that holiday pay is consistent with IAS 19 Employee Benefits. Deferred tax has been adjusted accordingly.

Goodwill impairment review

The Board has reviewed the goodwill arising on acquisition for impairment as required by IFRS 3. No such impairment was identified.

If the acquisition of Forefront had occurred on 1 October 2013, Group revenue would have been approximately £486m and profit for the year from continuing activities ended 30 September 2014 would have been approximately £11m.

Notes to the accounts continued

28 Acquisition of subsidiary undertaking – Lewis Civil Engineering Ltd
On 9 August 2013, the Company acquired the whole of the issued share capital of Lewis Civil Engineering Ltd ("Lewis") for a consideration of £10.9m, of which £8.0m was paid in cash and £2.9m in deferred consideration. Immediately following the acquisition, the deferred consideration was satisfied by transferring non-cash assets to the value of £2.9m to the vendors.

The value of the assets and liabilities of Lewis at the date of acquisition were:

	Book value £000	Adjustments £000	Fair value as reported at 30 September 2013 £000	Hindsight adjustments £000	Fair value as restated at 30 September 2013 £000
Non-current assets					
Intangible assets – goodwill	260	5,882	6,142	414	6,556
– other	—	2,209	2,209	—	2,209
Property, plant and equipment	5,616	—	5,616	(492)	5,124
Deferred tax assets	113	—	113	—	113
	5,989	8,091	14,080	(78)	14,002
Current assets					
Inventories	591	—	591	—	591
Trade and other receivables	4,063	—	4,063	—	4,063
Cash and cash equivalents	1,703	—	1,703	—	1,703
	6,357	—	6,357	—	6,357
Total assets	12,346	8,091	20,437	(78)	20,359
Non-current liabilities					
Obligations under finance leases	(1,511)	—	(1,511)	—	(1,511)
Deferred tax liabilities	—	(442)	(442)	98	(344)
	(1,511)	(442)	(1,953)	98	(1,855)
Current liabilities					
Borrowings	(188)	—	(188)	—	(188)
Trade and other payables	(6,105)	—	(6,105)	(20)	(6,125)
Obligations under finance leases	(992)	—	(992)	—	(992)
Current tax liabilities	(300)	—	(300)	—	(300)
	(7,585)	—	(7,585)	(20)	(7,605)
Total liabilities	(9,096)	(442)	(9,538)	78	(9,460)
Net assets	3,250	7,649	10,899	—	10,899

Fair value adjustments arising from the acquisition
In accordance with IFRS 3, the Board reviewed the fair value of assets and liabilities using information available up to 12 months after the date of acquisition. Fair value has been calculated using Level 3 inputs as defined by IFRS 13.

Property, plant and equipment
The Directors reviewed the depreciation policy for property, plant and equipment which is now aligned with the Group policy. The impact was to reduce net assets, increase deferred tax assets and goodwill. These adjustments required the restatement of the Group balance sheet as at 30 September 2013. There was no impact on the Group profit for the years ending 30 September 2013 or 2014.

Goodwill impairment review
The Board also reviewed the goodwill arising on acquisition for impairment as required by IFRS 3. No such impairment was identified.

Goodwill of £6,142,000 was acquired on the acquisition of Lewis Civil Engineering Ltd ("Lewis") and was reviewed for impairment one year after the acquisition and then will be on an ongoing basis as required by IFRS 3. As a result of the fair value adjustment above, goodwill increased by £414,000.

Company balance sheet
at 30 September

	Note	2014 £000	2013 £000
Fixed assets			
Tangible assets	E	**651**	659
Investments	F	**101,449**	69,560
		102,100	70,219
Current assets			
Stocks and work in progress	G	**226**	91
Debtors: due within one year	H	**40,436**	27,228
Cash at bank		**66**	—
		40,728	27,319
Creditors: amounts falling due in less than one year	I	**(83,104)**	(60,719)
Net current liabilities		**(42,376)**	(33,400)
Total assets less current liabilities		**59,724**	36,819
Creditors: amounts falling due after more than one year	J	**(15,500)**	—
Net assets		**44,224**	36,819
Capital and reserves			
Share capital	L	**6,152**	6,140
Share premium account	M	**5,942**	5,893
Capital redemption reserve	M	**3,896**	3,896
Share based payments reserve	M	**292**	390
Profit and loss account	M	**27,942**	20,500
Equity shareholders' funds	N	**44,224**	36,819

Approved by the Board and signed on its behalf by:

R J Harrison OBE
Chairman
25 November 2014

Notes to the company accounts

A Accounting policies

(i) Basis of accounting

The accounts have been prepared on the going concern basis and in accordance with UK applicable accounting standards under the historical cost convention. In determining that the going concern basis is appropriate the Directors have reviewed budgets, including cashflow forecasts, and concluded that the Company has adequate cash resources to continue trading for the foreseeable future.

A summary of the more important Company accounting policies, which have been applied consistently, is set out below:

(ii) Investments in subsidiaries

Investments in subsidiaries are recorded at cost less provision for impairment.

(iii) Tangible fixed assets

Tangible fixed assets are recorded at cost or valuation for certain properties, less provision for impairment if required. Depreciation is provided on all tangible fixed assets, other than freehold land. Provision is made at rates calculated to write off the cost of each asset, less estimated residual value, evenly over its expected useful life as follows:

Freehold land	– no depreciation charge
Long leasehold land and buildings	– shorter of fifty years and period of lease
Plant, vehicles and equipment	– three to ten years

(iv) Leasing commitments

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

(v) Share based payments

FRS 20 "Share Based Payments" requires a fair value to be established for any equity settled share based payments. Fair value has been independently measured using either a Black Scholes or a Monte Carlo valuation model as was deemed appropriate by the Directors for the relevant options' conditions. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period based on the Directors' estimate of shares that will eventually vest.

(vi) Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19 "Deferred Tax".

Deferred tax assets are recognised to the extent it is considered more likely than not that they will be recovered. In accordance with FRS 19 deferred tax is not provided for on:

a) revaluation gains on land and buildings, unless there is a binding agreement to sell them at the balance sheet date:

b) gains on the sale of non-monetary assets, if the taxable gain will probably be rolled over;

c) fair value adjustment gains to fixed assets and stock to uplift prices to those ruling when an acquisition is made; and

d) extra tax payable if the overseas retained profits of subsidiaries, joint ventures or associates are remitted in the future.

Deferred tax assets are recognised for taxable losses relating to trading to the extent that those losses are expected to be recoverable within the foreseeable future.

(vii) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. Exchange differences are taken to the profit and loss account.

(viii) Defined benefit pension scheme

The Company has adopted the requirements of FRS 17 "Retirement Benefits". The Directors have determined that it is not possible to allocate the assets and liabilities of the scheme between the various Group companies. Accordingly the scheme is not accounted for in the Company's balance sheet. However, any increase in the present value of liabilities within the defined benefit scheme expected to arise from employee service in the period is charged to operating profit in respect of the Company's employees.

(ix) Defined contribution pension plans

Contributions to defined contribution pension plans are charged to the profit and loss account as incurred.

(x) Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

(xi) Stocks and work in progress

Stocks comprise land held for development and are stated at the lower of cost and net realisable value. Cost includes appropriate attributable overheads and excludes interest. Where necessary, provision is made for obsolete, slow moving and defective stocks.

B Profit and loss account

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account. The profit after taxation for the financial year dealt with in the accounts of the Company was £9,903,000 (2013: £11,226,000).

The audit fee charged within the profit and loss account amounted to £38,000 (2013: £51,000).

C Employee numbers and remuneration

	2014 Number	2013 Number
The average monthly number of employees, all of whom were administrative staff including Executive Directors, employed in continuing activities during the year was:	**27**	26
At 30 September:	**27**	26

Cost of staff, including Executive Directors, during the year amounted to:

	£000	£000
Wages and salaries	**2,305**	1,940
Social security costs	**272**	254
Other pension costs	**168**	194
Share based payments	**(98)**	101
	2,647	2,489

Directors' emoluments

	£000	£000
Aggregate emoluments	**1,383**	1,114
Highest paid Director: aggregate emoluments	**677**	556

Details of individual Directors' emoluments and pension contributions can be found in the Directors' Remuneration Report.

D Dividends

	2014 Pence/share	2013 Pence/share
Interim (related to the year ended 30 September 2014)	**1.50**	1.10
Final (related to the year ended 30 September 2013)	**2.50**	2.10
Total dividend paid	**4.00**	3.20

	£000	£000
Interim (related to the year ended 30 September 2014)	**923**	658
Final (related to the year ended 30 September 2013)	**1,538**	1,259
Total dividend paid	**2,461**	1,917

Dividends are recorded only when authorised and are shown as a movement in equity rather than as a charge in the profit and loss account. The Directors are proposing that a final dividend of 3.50p per Ordinary Share be paid in respect of the year ended 30 September 2014. This will be accounted for in the 2014/15 financial year.

E Tangible fixed assets

	Freehold land and buildings £000	Long leasehold land and buildings £000	Plant, vehicles & equipment £000	Total £000
Cost:				
At 1 October 2013	701	75	314	1,090
Additions	—	—	5	5
At 30 September 2014	**701**	**75**	**319**	**1,095**
Depreciation:				
At 1 October 2013	47	75	309	431
Charge for year	10	—	3	13
At 30 September 2014	**57**	**75**	**312**	**444**
Net book value:				
At 30 September 2014	**644**	**—**	**7**	**651**
At 30 September 2013	654	—	5	659

Notes to the company accounts continued

F Investments

	Subsidiary undertakings £000
Shares at cost:	
At 1 October 2013	203,539
Additions	31,889
At 30 September 2014	**235,428**
Provisions:	
At 1 October 2013 and 30 September 2014	**133,979**
Net book value:	
At 30 September 2014	**101,449**
At 30 September 2013	69,560

On 29 April 2014, the Company acquired the whole of the issued share capital of Clarke Telecom Ltd for a consideration of £17.1m.

On 1 August 2014, the Company acquired the whole of the issued share capital of Forefront Group Ltd for a consideration of £14.8m.

Details of the principal subsidiary undertakings are included in Note R.

The investment in subsidiaries is supported by their net asset values and their discounted expected future cash flows.

G Stock and work in progress

	2014 £000	2013 £000
Undeveloped land	**226**	91

H Debtors

	2014 £000	2013 £000
Due within one year:		
Trade debtors	**20**	42
Due from subsidiary undertakings	**34,580**	25,660
Other debtors	**2,566**	981
Deferred tax	**420**	24
Prepayments and accrued income	**2,850**	521
	40,436	27,228

I Creditors: amounts falling due within one year

	2014 £000	2013 £000
Bank loans and overdrafts	**42,021**	24,290
Trade creditors	**353**	519
Other taxation and social security	**673**	1,450
Due to subsidiary undertakings	**30,712**	28,806
Other creditors	**149**	546
Accruals and deferred income	**9,196**	5,108
	83,104	60,719

J Creditors falling due after more than one year

	2014 £000	2013 £000
Bank loan	**15,500**	—
Bank loans and overdrafts repayable:		
Within one year	**42,021**	24,290
Within two to five years	**15,500**	—
	57,521	24,290

K Derivatives and other financial instruments

Currency exposures

The only exposure of the Company to currency risk (i.e. exposure to gains or losses on foreign exchange which would be recognised in the profit and loss account) is in respect of the unhedged portion of an inter-company loan. At 30 September 2014 the unhedged portion of the inter-company loan was $1,771,000 (2013: $771,000).

The Company's operations are denominated in sterling.

Fair value of financial assets and liabilities

There are no material differences between fair value and the book value of the Company's financial assets and liabilities.

L Share capital

	2014 £000	2013 £000
Allotted, called up and fully paid:		
61,517,948 (2013: 61,403,668) Ordinary Shares of 10p each	**6,152**	6,140

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

During the year 114,280 Ordinary Shares were issued following the exercise of options under the Approved element of the Renew Holdings plc Executive Share Option Scheme.

Share options

Renew Holdings 2004 Executive Share Option Scheme

The Company operates a share option scheme, the Renew Holdings 2004 Executive Share Option Scheme. The scheme has both an Approved and Unapproved element. The difference between the two elements is that the Approved scheme has the advantage of certain HMRC approved tax benefits.

Both elements have the same general terms and conditions. Options issued under the scheme must be held for three years before they can vest and become exercisable. They must be exercised within ten years from the date of grant.

All options granted under this scheme have vested and have been exercised.

Renew Holdings plc Long Term Incentive Plan

At the Annual General Meeting held on 25 January 2012 the shareholders approved a new long term incentive plan ("LTIP") which replaced the Renew Holdings plc 2004 Executive Share Option Scheme as the Directors believed that the LTIP was a more effective method of aligning executive and shareholder interests.

On 2 March 2012, the company granted options to subscribe for 400,000 Ordinary Shares pursuant to the LTIP. On 20 December 2012, options to subscribe for a further 400,000 Ordinary Shares were granted. On 3 January 2014, options to subscribe for a further 253,165 Ordinary Shares were granted.

The options are exercisable at a nominal cost from 2 March 2015 in respect of those granted on 2 March 2012 and from 20 December 2015 in respect of those granted on 20 December 2012, subject to the achievement of certain performance criteria.

Vesting of one half of the options is dependent on absolute growth in the Company's Total Shareholder Return ('TSR'), and the other half is dependent on the Company's TSR performance as compared to the TSR achieved by other companies in a comparator group of nine companies selected by the Remuneration Committee. All TSR calculations are based on the average of the opening and closing share price over a thirty day period prior to the commencement and the end of the performance period.

The absolute TSR growth target requires the Company's TSR over the three year performance period to grow by more than 25%. For TSR growth between 25% and 100%, the half of the option which is subject to the absolute TSR growth target vests on a straight-line basis from nil vesting at 25% growth, to 100% vesting at 100% growth. There will be no vesting if TSR growth is 25% or less.

The comparator group TSR performance target measures the Company's TSR over the three year performance period against the TSR of a group of nine companies selected by the Remuneration Committee. If the Company's TSR performance falls below the median performance of the comparator group then the options lapse forthwith. If the Company is ranked within the top decile of the comparator group the options shall vest in full. If the Company's TSR performance is ranked between the median position and the top decile of the comparator group then the options shall vest on a straight line basis from nil, at or below the median position, to 100% at the top decile.

Notes to the company accounts continued

M Reserves

	Share premium account £000	Capital redemption reserve £000	Share based payments reserve £000	Profit & loss account £000
At 1 October 2013	5,893	3,896	390	20,500
Transfer from profit and loss account for the year				9,903
Recognition of share based payments			(98)	
New shares issued	49			
Dividends paid				(2,461)
At 30 September 2014	**5,942**	**3,896**	**292**	**27,942**

Share based payments reserve

Renew Holdings 2004 Executive Share Option Scheme
114,280 options were exercised during the year (2013: 1,504,741).

Following the exercise of all outstanding options under this scheme, the fair value of those options as assessed at the date of grant has been charged against the share payments reserve. £259,000 has been credited (2013: Nil) to administrative expenses.

Renew Holdings plc Long Term Incentive Plan
Fair value has been independently measured by PricewaterhouseCoopers LLP using a Monte Carlo model methodology. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period, based on the Board's estimate of shares that will eventually vest.

£161,000 has been charged (2013: £101,000) to administrative expenses. There is no impact on net assets since an equivalent amount has been credited to the share based payments reserve. No options were exercised during the year. The value per option represents the fair value of the option less the consideration payable.

The expected volatility has been calculated based on weekly historical volatility of the Company's share price over the three years prior to the date of grant. The risk free rate of return has been based on the yields available on three year UK government bonds as at the date of grant.

Options granted under the Renew Holdings plc Long Term Incentive Plan over the Company's Ordinary shares at 30 September 2014 were as follows:

Date of grant	2 March 2012	20 December 2012	3 January 2014	Total
Awards outstanding at 30 September 2014				
– Directors	400,000	400,000	253,165	1,053,165
Exercise price	0.0p	0.0p	0.0p	
Price at date of grant	75.0p	87.0p	180.0p	
Maximum option life	10 years	10 years	10 years	
Assumed option life for purposes of valuation	3 years	3 years	3 years	
Expected volatility	46%	36%	32%	
Dividend yield	4.0%	3.6%	2.0%	
Risk free interest rate	0.43%	0.48%	1.03%	
Value per option	40.0p	30.0p	87.5p	

N Reconciliation of movements in equity shareholders' funds

	2014 £000	2013 £000
Profit for the year	**9,903**	11,226
Dividends paid	**(2,461)**	(1,917)
Issue of Ordinary Shares	**61**	150
Recognition of share based payments	**(98)**	101
At 1 October 2013	**36,819**	27,259
At 30 September 2014	**44,224**	36,819

O Capital and leasing commitments

	Land and buildings £000	**Other £000**	**Total 2014 £000**	Total 2013 £000
Annual commitments under non-cancellable operating leases expiring in:				
Under one year	**—**	**12**	**12**	210
Two to five years	**125**	**8**	**133**	145
Five or more years	**776**	**—**	**776**	741
	901	**20**	**921**	1,096

The Company had no capital commitments at 30 September 2014 (2013: £nil).

P Contingent liabilities
The Company has guaranteed performance bonds in respect of certain contracts and leasing arrangements in the normal course of business of its subsidiary undertakings.

Under the terms of the Group's banking agreement, security over the Company's assets has been granted to the Group's bankers.

The Company is a participant together with a number of subsidiary undertakings in the Group banking arrangements and as a result has risks associated with the financial status and performance of the other companies within the Group.

Q Defined contribution pension scheme
The Company operates a number of defined contribution pension schemes and individual stakeholder pension plans for its employees.

The Company made contributions of £168,000 (2013: £194,000) into these plans during the year. There are also £15,000 (2013: £10,000) of accruals relating to these plans.

R Principal subsidiary undertakings
Renew Holdings plc acts as the holding company of the Group. The principal activity of the Group during the year was as contractors in Engineering Services and Specialist Building.

The principal subsidiary undertakings are shown below.

		Incorporation & principal place of business	Proportion of Ordinary Shares held by the Company
Subsidiary undertakings			
Britannia Construction Ltd	Owned by subsidiary	England and Wales	100%
Walter Lilly & Co Ltd	Owned by subsidiary	England and Wales	100%
Seymour (Civil Engineering Contractors) Ltd	Owned by subsidiary	England and Wales	100%
Amalgamated Construction Ltd	Owned by subsidiary	England and Wales	100%
V.H.E. Construction Plc	Owned by Renew Holdings plc	England and Wales	100%
Shepley Engineers Ltd	Owned by Renew Holdings plc	England and Wales	100%
Lewis Civil Engineering Ltd	Owned by Renew Holdings plc	England and Wales	100%
Clarke Telecom Ltd	Owned by Renew Holdings plc	England and Wales	100%
Forefront Group Ltd	Owned by Renew Holdings plc	England and Wales	100%
Lovell America, Inc	Owned by Renew Holdings plc	USA	100%

S Related parties
The Company has a related party relationship with its key management personnel who are the Main Board Directors: B W May, J Samuel, P Scott, R J Harrison, J Bishop and D M Forbes, whose total compensation amounted to £1,383,000 all of which was represented by short-term employment benefits.

There were no other transactions with key management personnel in the year.

Directors, officers and advisors

Directors

R J Harrison OBE	(Non-executive Chairman)
B W May	(Chief Executive)
J Samuel FCA	(Group Finance Director)
P Scott	(Group Engineering Services Director)
J Bishop FCA	(Independent Non-executive)
D M Forbes	(Independent Non-executive)

Registrars
Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Auditor
KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

Financial PR
Walbrook PR Ltd
4 Lombard Street
London
EC3V 9HD

Nominated advisor and broker
Numis Securities Limited
London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT

Company Secretary
J Samuel FCA

Company number
650447

Registered address
Yew Trees
Main Street North
Aberford
Leeds
LS25 3AA

Website address
www.renewholdings.com

Shareholder information

Shareholder information

Annual General Meeting	28 January 2015
Results	Announcement of interim results – May 2015
	Preliminary announcement of full year results – November 2015

Share Portal
The Share Portal is a secure online site where you can manage your shareholding quickly and easily. To register for the Share Portal just visit www.capitashareportal.com.

Dividend re-investment plan
Capita's Dividend Re-investment Plan offers a convenient way for shareholders to build up their shareholding by using dividend money to purchase additional shares. For more information please call 0871 664 0381 (calls to this number cost 10p per minute plus network extras) or if calling from overseas +44 20 8639 3402. Lines are open 9.00am to 5.30pm, Monday to Friday, excluding public holidays. Alternatively, you can email shares@capita.co.uk or log on to www.capitashareportal.com.

Donate your shares to charity
If you have only a small number of shares which are uneconomical to sell you may wish to donate them to charity free of charge through ShareGift (Registered Charity 10528686). Find out more at www.sharegift.org.uk or by telephoning 020 7930 3737.

Share fraud warning
Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. These calls typically come from fraudsters operating in 'boiler rooms' that are mostly based abroad. If you are offered unsolicited investment advice you should:

- Check the Financial Services Register at http://www.fca.org.uk to ensure they are authorised.
- Call the FCA Consumer Helpline on 0800 111 6768 or use the share fraud reporting form at http://www.fca.org.uk/scams.

If you use an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme (FSCS).

Capita's Customer Support Centre
By phone UK – 0871 664 0300 (UK calls cost 10p per minute plus network extras). From overseas - +44 20 8639 3399.
Lines are open 9.00am to 5.30pm, Monday to Friday, excluding public holidays.

By email shareholderenquiries@capita.co.uk

Our subsidiary businesses

Amco
Whaley Road
Barugh
Barnsley
South Yorkshire
S75 1HT
Tel: 01226 243413

Walter Lilly
Knollys House
17 Addiscombe Road
Croydon
Surrey
CR0 6SR
Tel: 020 8730 6200

Shepley Engineers
Robinson House
Westlakes Science Park
Moor Row
Cumbria
CA24 3HY
Tel: 01946 599 022

Clarke Telecom
Unit E
Madison Place
Northampton Road
Manchester
M40 5AG
Tel: 0161 785 4500

Seymour Civil Engineering
30–35 Navigation Point
Hartlepool
TS24 0UQ
Tel: 01429 233 521

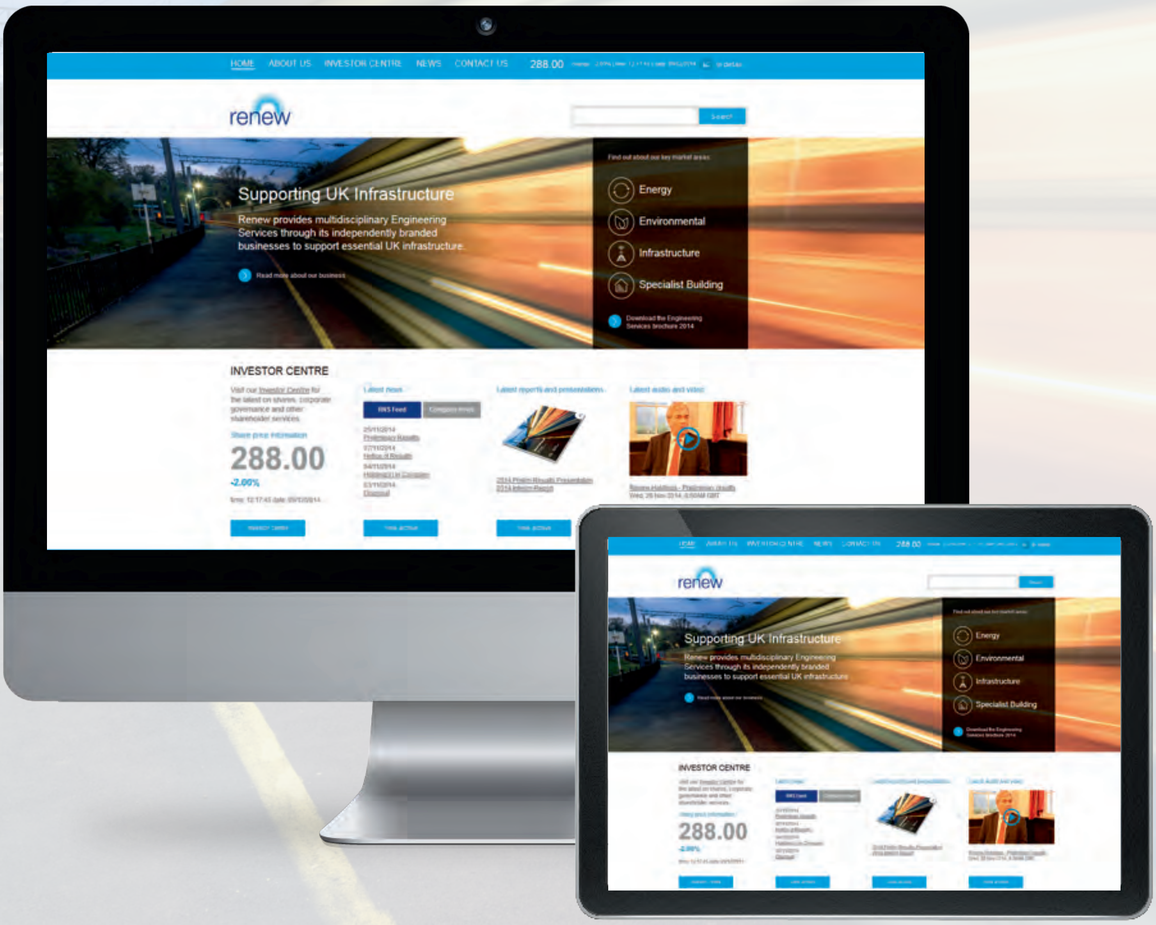
Forefront
30 Stephenson Road
Leigh on Sea
Essex
SS9 5LY
Tel: 01702 507 440

VHE
Whaley Road
Barugh
Barnsley
South Yorkshire
S75 1HT
Tel: 01226 320150

Britannia
Britannia House
Staverton Technology Park
Cheltenham
Gloucestershire
GL51 6TQ
Tel: 01452 859 880

Lewis Civil Engineering
Mwyndy Cross Industries
Cardiff Road
Pontyclun
Rhondda Cynon Taff
CF72 8PN
Tel: 01443 449200

Discover more online



www.renewholdings.com

Keep up to date with our corporate website.

Renew Holdings plc
Yew Trees
Main Street North
Aberford
Leeds
LS25 3AA
tel: 0113 281 4200
fax: 0113 281 4210
web: www.renewholdings.com

Company Number: 650447
Registered in England & Wales