Business/Financial Journalist of the year

David Price, finance editor, Construction News

Dawnus collapses into administration – 14 March 2019

Dawnus, the largest contractor in Wales, became the biggest industry failure since Carillion's collapse. *CN* broke the news well ahead of every other outlet, thanks to David's work.

Rumours of problems at Dawnus had circled for weeks but matters escalated in early March, when subcontractors working for the company abandoned sites in Swansea and Manchester.

At 9am on 14 March, David's scoop revealed that the company had collapsed.

Through careful contact building, David had secured a reliable source inside Dawnus willing to talk about the firm's situation. Just after 8am on the morning of the 14th, that source passed David documents that had been circulated among key staff, confirming not only that the company had collapsed but also detailing exactly how the administrators would take over – down to when they would change the locks.

It was not until midday on 15 March that the administrator, Grant Thornton, issued an official press release about the collapse. As a result of David's diligence, *CN* broke the story in detail more than a day ahead of every other outlet, including the BBC, which had been following Dawnus closely.

Prompt-payment system 'not fit for purpose' – 12 July 2019

Carillion's collapse highlighted the endemic practice of delayed payments, with big contractors strangling cash flow to smaller firms. In parliament, MPs demanded action to protect vulnerable SMEs.

The government held up its Payment Practice Reports system as an example of action on the late payment issue. Introduced in late 2017, the scheme requires large companies to submit reports detailing how quickly they pay suppliers. By making practices transparent, the government argued, bad payers would be shamed into changing their practices.

David exposed that the scheme is an empty gesture, left wide open to abuse by unscrupulous companies.

The system is unaudited, relying instead on users of the payment database to spot and flag dubious statements for official review.

Through a series of FOI requests, David established that among almost 15,000 reports submitted across 18 months, only four had been scrutinised by government. Not a single person worked on the scheme full-time, and the Department for Business, Energy and Industrial Strategy spent less than £800 a month running the system.

Labour, trade bodies and SMEs all said David's story revealed a system that was fatally flawed.

CN100 2018 – 5 September 2018

CN100 is *Construction News*'s flagship annual report, detailing the financial performance of the UK's largest contractors. It is the only such analysis produced independently and in-house by an industry outlet. Since its inception in the early 2000s, it has detailed key data points including turnover, profit, headcount and payroll details of the top 100 firms.

In March last year, six months after joining *CN* in his first construction journalism role, David was asked to author the 2018 report.

Carillion's collapse had shown that terminal problems could lurk behind big profits and turnover. David concluded that the CN100 should be overhauled to examine financial health alongside headline numbers.

After speaking to academics and other experts, David introduced three new measures: return on capital employed, revealing efficiency; working capital ratio, showing short-term resilience; and leverage, to expose long-term liabilities of the kind that brought Carillion down.

The change increased the data points needed to produce the overall list from 400 to 1,000, which David collected single-handedly, trawling through accounts via Companies House.

This led to an entirely new view of the industry's 100 largest firms, enabling David to write the feature: 'How to spot the next Carillion'.

Dawnus files for administration

14 MAR, 2019 | BY DAVID PRICE

Exclusive: Dawnus Construction has filed to put the entire group and all its subsidiaries into administration, *Construction News* has learned.

CN understands that staff were informed of the move yesterday evening by directors at the Swansea-based firm.

Grant Thornton has been appointed as administrators of the company and Hilco is also involved.

A representative from Hilco was due to be on every Dawnus site by around 9am and take control. Locks on the regional offices will be changed today as well.

Staff and operatives have been told they will receive no more pay from the firm and any shortfall in wages or expenses will have to be claimed through the administration process.

Email accounts will be closed by the end of the week and phone accounts are expected to be cut off next week.

Directors have told staff to direct enquiries from clients and suppliers to Dawnus' head office where they will be dealt with by Grant Thornton.

Earlier this week workers downed tools on city centre road works in Manchester and Swansea as subcontractors claimed they were owed hundreds of thousands by Dawnus.

Dawnus has suffered large losses over the past five years as it lost around £15m primarily related to its work in West Africa in 2014 and 2015.

Its operations in the region, where it carried out infrastructure work for mining clients, were hit by the Ebola outbreak in 2014 and the insolvency of a number of clients.

In its last filed accounts for the year ending 31 December 2017 the company reported a reduced pre-tax loss of £1.4m. Crucially its cash reserves of £7.2m held in 2016 were reduced to zero by the end of 2017.

In the last CN100 Dawnus was ranked as the 74th largest contractor in the UK with turnover of £170m.

Grant Thornton and Dawnus have been contacted for comment.

Construction
CN News

Telephone House, 69-77 Paul Street, London, EC2A 4NQ
020 3033 2600 cneditorial@emap.com constructionnews.co.uk

News
constructionnews.co.uk/news

Inside this issue of Construction News

5 News Skanska UK's margin triples, following plan to improve approach to contract bidding

6 News What does the industry need from the next PM? Industry figures speak up

8 News Wylfa nuclear power station developer Horizon posts £1.7bn loss

10 News Port Talbot rail workers 'may not have heard train coming' before collision

20 Project Report *CN* goes inside the forerunner to the modern skyscraper

24 Feature: Concretebergs We explore the mysterious blockages blighting sewers

30 Roundtable *CN*'s Rising Star award nominees gather to discuss tech in construction

36 Inside Knowledge Flagging economy leaves the industry nowhere left to hide

Find the organisation

Aecom 7, 18
Anglian Water 26
Arcadis 6
Bam 38
CH2M 35
Cleveland Bridge 18
Costain 33
Croft Building and Conservation 20
Crossrail 2 7
Balfour Beatty 38
DNS Engineering 30
Galliford Try 6, 38
GKR Scaffolding 18
Graham 5
Highways England 14
Horizon 8
Hostoric England 20
HS2 6, 35
ISG 6
Kier Construction 30, 38
Laing O'Rourke 18
Mace 18
Mace 35
Morgan Sindall 38
Morganstone 38
Mott MacDonald 30
Munnelly Group 30
Murphy 8
Network Rail 10, 18
Northern Powerhouse Rail 6
Northumbrian Water 28
Osborne 6
PMC 12
R Durtnell & Sons 12
Saracen 12
Scotland TranServ 30
Sir Robert McAlpine 28, 30
Skanska 5
Speller Metcalfe 30
Tarmac 14
Thames Water 24
Turner & Townsend 33
UK Piling 24
United Utilities 28
Vinci 30
Welsh Water 26
WSP 6

Prompt-payment system 'not fit for purpose'

Construction News investigation finds only a handful of payment-practice reports have received any form of scrutiny since the accountability system was introduced in 2017

EXCLUSIVE

DAVID PRICE
david.price@emap.com

Only four payment-practice reports out of almost 15,000 submitted to the government have been scrutinised, data obtained by *Construction News* has revealed.

The government set up the reports as part of a package of measures designed to "hold poor payers to account" in April 2017.

From September, data taken from the submissions will be used to assess whether large firms should be banned from bidding on government contracts worth more than £5m if they are poor payers.

However, figures obtained by *CN* under the Freedom of Information Act have revealed that in the 18 months since the first reports were filed – between May 2019 and November 2017 – only four out of 14,764 payment-practice reports have been queried.

A second FOI request from *CN* revealed the Department for Business, Energy and Industrial Strategy (BEIS) had no staff dedicated to working on the system and assessing reports. A spokeswoman said a number of staff work on the reporting regime, but do alongside their other departmental duties.

Data submitted by large companies for the payment-practice reports is unaudited. Instead, BEIS expects members of the public, suppliers and other stakeholders to police the system by submitting complaints about suspicious reports. The government has the power to prosecute and fine firms that do not comply with the duty to report.

> **"The system of reporting payment practices is clearly flawed"**
> BILL ESTERSON MP

Out of the four queries BEIS received, three were complaints about companies failing to file on time, with two of these businesses being in the construction industry. However, the department subsequently found that all three firms had met their filing deadlines.

A fourth complaint was an allegation that a company, which was not in the construction industry, had filed false information. The case was also dropped by BEIS after the department requested more information from the complainant but none was forthcoming.

> **"There's no point in the government collecting and publishing payment data if the industry can't trust it to be accurate"**
> BRIAN BERRY, FMB

Responding to *CN's* findings, Federation of Master Builders chief executive Brian Berry said the lack of scrutiny undermined the whole system. "Construction SMEs need to be able to rely on this data when deciding which contractors to work for and which to avoid", he said. "There's no point in the government collecting and publishing payment data if the industry can't trust it to be accurate."

Mr Berry added that the current system in place for examining the validity of companies' payment performance was not "fit for purpose".

Labour shadow business minister Bill Esterson criticised the system for failing to empower SMEs when dealing with larger companies. "The system of reporting payment practices is clearly flawed," he said. "The power imbalance in our economic system makes it very hard for smaller suppliers to challenge the payment practices of their larger customers."

A BEIS spokeswoman defended the system and said payment-practice reports were helping to challenge unfair payments.

She added: "The Payment Practices Reporting database is a vital part of holding poor payers to account [...] We've announced a robust package of measures to help combat unfair payment practices, including for the first time making company boards responsible for payment practices; naming signatories who break the prompt-payment code; and consulting on enabling the Small Business Commissioner to fine large companies for failing to pay small suppliers on time."

Kevin McLoughlin, owner of SME contractor K&M McLoughlin Decorating and vocal critic of the industry's culture of late payment, told *CN* the best way to create an effective system for policing payment practices was to work with suppliers of large companies.

"If the government really wanted to police it, they would approach the supply chain and check their papers – because it'll all be on the contracts – then look at it if the payment terms are being adhered to. That's real policing," he said.

National Federation of Builders chief executive Richard Beresford said payment-performance statistics should be made part of the reporting requirements for filing annual accounts.

Additional data obtained by *CN* revealed the government spends £787.86 per month on average running the prompt-payment reporting system. Developing the online reporting system cost more than £321,000.

Breaking news alerts
Sign up for our free daily alerts
»»constructionnews.co.uk

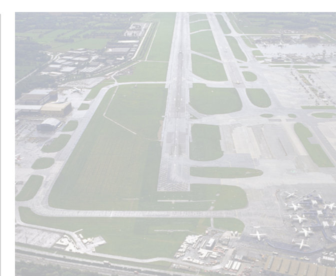
Costain lands £150m upgrade

Costain has landed the contract for the £150m redevelopment of Gatwick Airport station.

The contractor secured the work having previously led the planning and design stages for the upgrade.

Plans for the redevelopment include doubling the size of the station concourse, adding five new lifts and eight escalators to improve passenger flow, and widening two platforms to reduce overcrowding.

The station has seen an 11.5 million increase in annual passenger numbers over the past 20 years, with the new plans



aiming to accommodate the airport's growth forecast until 2036. Work on the project is expected to begin in early 2020 and be completed during 2022.

Costain's appointment came a day after the Department for Transport pledged £103m to the scheme. The rest of the cash is being provided by Gatwick Airport (£37m) and Coast to Capital Local Enterprise Partnership (£10m).

Costain CEO Alex Vaughan said: "Costain's extensive capability to deliver complex programmes, using leading-edge smart technology will ensure travellers are kept moving at every stage of the works, minimising disruption during this capacity-critical redevelopment."

Plans for the £300m congestion hotspot initiative were submitted to Crawley Borough Council in April 2018.

Lorne Stewart set to 'return to profit in 2019'

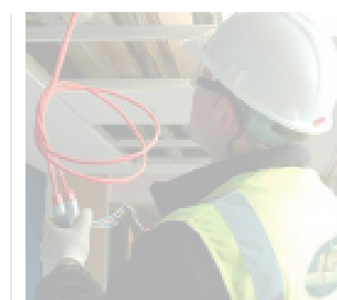
FINANCIAL

DAVID PRICE
david.price@emap.com

Lorne Stewart will return to profit this year, having lost £20m over the past two years, chief executive Simon Roopchand has told *Construction News*.

The CEO said the heavy losses the M&E specialist had endured were down to two residential projects that the company has since closed out.

Mr Roopchand said the firm expected to return to profit in 2019. "We are forecasting exactly that," he stated. "The losses were



ringfenced on two projects and the rest of the regions performed to expectations, so we're definitely looking at a turnaround in 2019."

Revenue dropped to £108m in 2018, as the company spent the year "consolidating" and closing out legacy contracts, Mr Roopchand added. This was accompanied by a £12m pre-tax loss, which followed an £8.5m loss in 2017.

Senior management has been overhauled in the past 18 months with a new chief financial officer, Ramesh Krishnamurthy, joining in August last year, following on from Mr Roopchand's appointment. The pair have focused on developing a new strategy for the business. This includes more direct work with clients, dedicating more time and resource to pre-construction, and diversifying Lorne Stewart's markets.

The energy and utilities market is a particular target for the M&E specialist over the next five years, with the firm aiming to contract more with clients rather than main contractors.

This approach is a marked change in direction for Lorne Stewart, Mr Roopchand said, as the company traditionally did the vast amount of its work through tier-one contractors.

With the firm's problem contracts having been dealt with, Mr Roopchand said the company was ready to forge ahead.

"Growth is certainly one of our major strategic focuses," he said.

CN100: The state of the industry

Contractors are tightening their belts by reducing dividend payments and hoarding cash as the UK's biggest construction players seek to avoid becoming the next Carillion. Here, finance editor *David Price* explains the financial health of the UK construction industry

DAVID PRICE
FINANCE & PUBLIC SECTOR EDITOR

The UK's largest contractors have suffered in recent years, from tight margins and problem projects to difficulties recruiting staff and even, in Carillion's case, a complete unravelling.

Last year's CN100 revealed that the 10 largest UK firms had made an average pre-tax loss of -0.5 per cent.

According to our exclusive analysis of the top contractors' most recent published accounts, conditions have worsened over the past 12 months, lending weight to fears that Carillion's collapse is unlikely to be the last among the UK's biggest firms.

With Carillion having exited the CN100 following its liquidation, the top 10 UK contractors had an average pre-tax margin of -0.9 per cent in their most recent financial years.

Triple-digit losses at Interserve and Amey and further losses at Laing O'Rourke combined to drag down the overall average margin.

The number of companies losing money among the top 10 shrank from four to three, but those three lost more money as a whole – £501m compared with £399m in last year's CN100 top 10.

Furthermore, those top-10 contractors that did manage to make a profit made less money – £312m compared with £346m.

The biggest firms were hoovering up more work as well, with combined revenue rising from £28.75bn to £30.37bn.

Consider this performance for just one year and it would be a concern, but looking back, there is a clear downward trend in the profitability of the UK's largest contractors.

Five years ago, the average margin of the CN100's top 10 stood at 2.9 per cent, and since then it has steadily fallen.

The top 10: What's gone wrong?

UK construction has been the "nemesis" for Balfour Beatty, according to its chief executive Leo Quinn, who admits that "today, the primes [largest contractors] are probably suffering more than most".

Legacy projects have been a blight on almost every top-10 firm, with many continuing to struggle to complete high-profile loss-making contracts.

Interserve has its energy-from-waste plants, Laing O'Rourke has its ill-fated Canadian hospital, Balfour Beatty and Galliford Try have the Aberdeen bypass and Amey has its Birmingham council roads contract.

EY construction lead Ian Marson argues that these problem jobs are linked to the last recession, the impact of which has continued to weigh on the construction industry.

> **"Around 2011/12, many firms needed to protect revenue and the size of their business. They took on work at lower margins with the expectation that the downturn would be short"**
>
> IAN MARSON, EY

"Around 2011/12, many firms needed to protect revenue and the size of their business," he says. "As a result, they took on work at lower margins with the expectation that the downturn would be a short one.

"I've talked to CEOs of three or four large construction firms over the last year, and each one of them has said, 'What's happened in the past is there's been a downturn, we've had to invest for a period of time and we've taken low margins, and we always expected in two or three years [profitability] would come back'.

"This time it's been six or seven years and it still hasn't come back."

He thinks the consequences of taking on those lower-margin jobs to maintain revenue were now "coming home to roost".

The terminal impact of problem legacy projects was made clear with the unprecedented collapse on Carillion in January.

In its half-year results for 2017 posted last September, the company reported a £1.15bn pre-tax loss on revenue of £2.5bn.

To put the scale of this loss into context: Carillion's £1.15bn loss was larger than the combined profits made by last year's top 100 firms – which included Carillion – of £1.12bn.

The loss was also bigger than the profits made by the top 10 contractors for the last three years combined – also £1.12bn.

Lagan Construction and Lakesmere, which were ranked 62nd and 99th respectively in last year's CN100, have also exited the table having collapsed over the past 12 months.

Losing firms from the top, middle and bottom of the CN100 might suggest trouble across the board, but *CN's* analysis has found that life for those sitting below the largest firms is more positive.

Life is better below

Outside the top 10, pre-tax margins averaged 2.3 per cent for those ranked 11-100 in this year's table, although this was still down on the 2.5 per cent recorded last year.

When we break this down further by turnover bands rather than rankings, it is those CN100 contractors in the middle tier that are performing best.

Below the £500m turnover mark, we move from firms that are almost all tier one contractors to a mix of specialists and smaller main contractors.

In the £300m-£500m turnover range there is a clutch of firms – JRL Group, Winvic, Keltbray, Eurovia, NG Bailey – that are achieving margins around and above 5 per cent without relying on capital-intensive property development businesses.

A major difference between the specialists and the rest is the use of direct labour.

JRL Group, which previous CN100s have reported as J Reddington, reported pre-tax margin of 7 per cent on turnover of £388m, and chief executive Kevin Keegan puts some of the difference between specialists and tier ones down to improved management of risk.

> **"We're doing a lot of work with a direct workforce. Perhaps it's more risk, but there's more opportunity when you're doing work yourself"**
>
> KEVIN KEEGAN, JRL GROUP

"We're doing a lot of work with a direct workforce," he says. "Perhaps it's more risk, but there's also more opportunity when you're doing work yourself."

Others such as Watkin Jones and Hill Holdings have recorded high margins, but this is largely due to their property development activities.

The 5 per cent margin vision is one that most tier one bosses have publicly said they are targeting, but our analysis suggests they are some way short of achieving this any time soon.

Firms recording less than £300m turnover had median margins of around 2.5 per cent, although in the smallest band the median margin dropped from 3.0 per cent last year to 2.7 per cent.

While this performance might outstrip the largest contractors, the current market is still tough for smaller firms.

A director at one contractor with turnover below £200m, who wishes to remain anonymous, says the wider industry is finally "realising how vulnerable construction companies are".

"We saw the market getting tougher two or three years ago, so instead of trying to expand into it we took a more risk-averse approach," he says. "This meant our turnover dropped, but it reduced more than perhaps we thought it would."

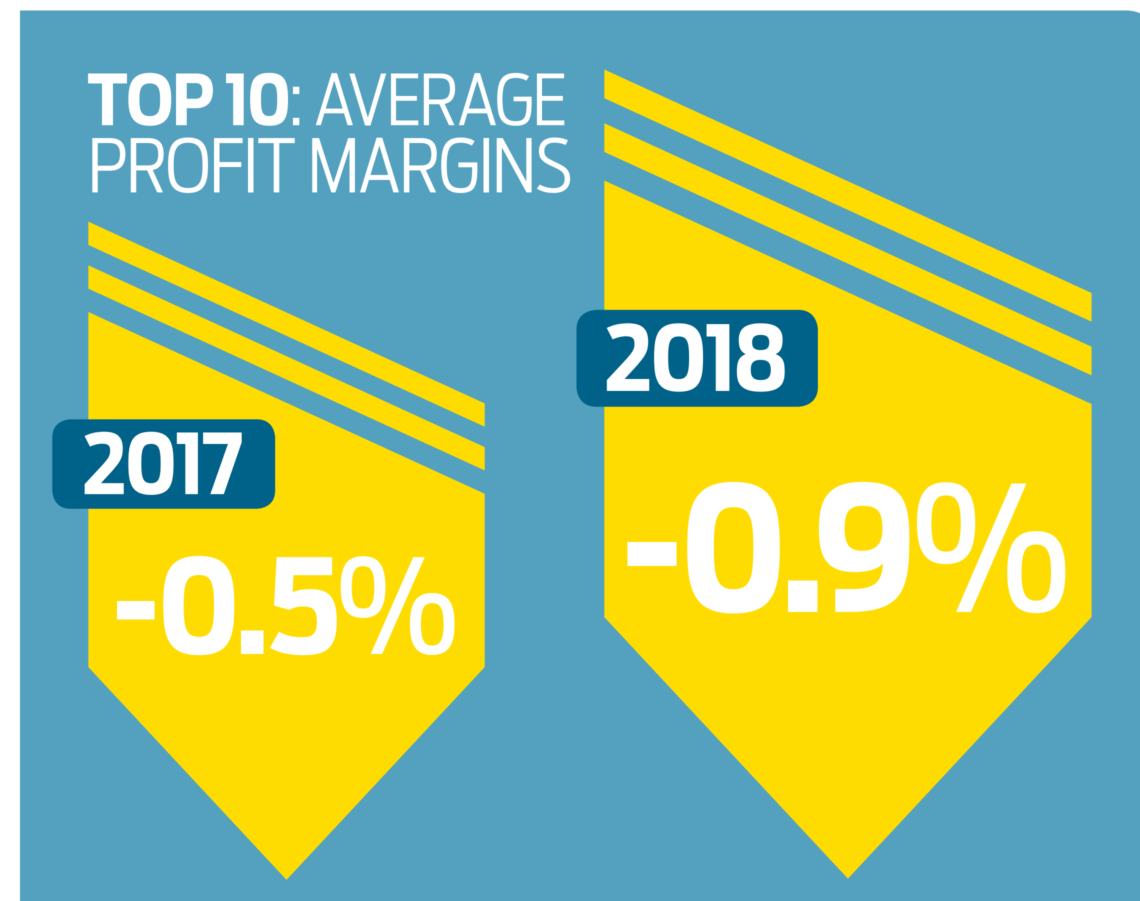
Some smaller specialists appear to be flourishing, with the likes of R J McLeod (99) and C J O'Shea (100) achieving strong double-digit returns.

New measures

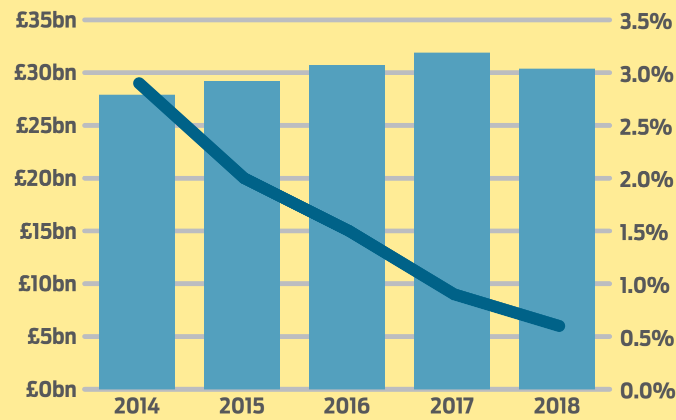
One big lesson from Carillion's collapse is that the industry-leading profit reported in its final audited full-year accounts covering 2016 masked deep-seated problems. This prompted *CN* to change how it analyses company accounts for the 2018 CN100.

A clear trend we have seen right across the top 100 is that contractors are trying to strengthen their balance sheets.

"Cash never lies," Balfour Beatty's Mr Quinn tells *CN*, and in the last 12 months the value ▶



TURNOVER VS MARGINS: CN100 TOP 10, 2014-18



of cash being held by the top 100 has risen 22 per cent from £6.51bn to £7.93bn.

While firms are keen to talk about the importance of getting cash into their businesses, they are now doing more than ever to stop it going out.

Combined dividends paid out across the 2018 CN100 was £420.9m, a 26 per cent fall from the £567.1m paid out by the same 100 firms in their previous financial years – or £649.8m if we include the £82.7m Carillion paid out in its last full-year dividend.

This change in mindset was seen across all the turnover bands in this year's CN100, bar the lowest under-£200m grouping, suggesting it is not just the tier ones with their falling margins that are tightening their belts.

The focus on getting cash in has contributed to an increase in working capital ratios – also known as 'current ratios' – with the average for the top 100 increasing from 1.23 to 1.26.

> **"I think maybe the industry is learning the lessons of the past, in terms of where businesses have failed"**
>
> ALAN ROBERTSON, VOLKERWESSELS UK

Working capital ratio is a good measure of short-term resilience, as it compares current assets – anything that can be turned into cash in the next 12 months – with current liabilities – money that is owed in the next 12 months.

A ratio of 1.26 means a company has £1.26 of assets to cover every £1 it owes in liabilities, roughly speaking.

VolkerWessels UK's chief executive Alan Robertson says the strengthening of balance sheets suggests firms are working to avoid repeating past mistakes. "I think maybe the industry is learning the lessons of the past, in terms of where businesses have failed," he says.

However, there is a big difference across the top 100 in working capital cover.

The largest firms with turnover greater than £1bn, which are mainly tier ones, are operating with an average cover of just 1.08. Below that turnover band, the ratio increases to between 1.25 and 1.37.

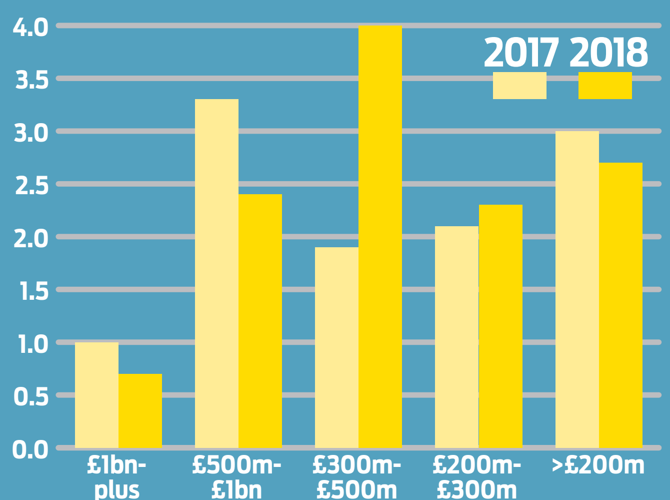
This shows how trade credit (the amount of work or product one company supplies to another without upfront payment) differs between tier ones and the rest.

A paper published by the Business, Innovation and Skills department (now BEIS) in July 2013 titled *Trade Credit in the UK Construction Industry* found that construction firms were typically more reliant on trade credit as a form of finance than other industries.

More revealing was how that differed within the industry, with tier ones being net receivers of trade credit from their suppliers, whereas tier twos and specialists were found to be net providers of credit.

The researchers found that smaller construction firms have to maintain higher levels of working capital to provide credit to the larger firms, which also appears to be reflected in *CN's* analysis.

PROFIT MARGINS: MEDIAN MARGINS BY TURNOVER



Carillion exited the CN100 following its collapse, yet the fallout from its demise continues to be felt across this year's top 100

In the face of uncertainty

"I think we're in for some pretty choppy waters over the next 12 months."

This is the view not of some embattled CEO looking to make excuses in advance, but that of David Hurcomb, CEO of NG Bailey, which reported a pre-tax margin of 4.1 per cent in its most recent accounts – outperforming the CN100 average.

The drive to increase cash and working capital cover while cutting costs, as illustrated in this year's CN100, shows there is a general air of concern in the sector.

"There was a seismic event earlier this year in the industry with a big player going under and they [construction firms] have also got Brexit coming, so basically they are looking around and seeing [that] everything is a bit uncertain," EY's Mr Marson says.

"They are harvesting their resources to keep them in one place rather than deploying them. It's a sensible measure and it suggests that maybe FDs are in control rather than CEOs."

While the majority of the accounts that form this year's CN100 cover periods when Carillion was still afloat, the problem projects experienced by the contractor and its peers have been a consistent theme for many years.

> **"There was a seismic event with a big player going under and also Brexit coming, so they are seeing [that] everything is a bit uncertain"**
>
> IAN MARSON, EY

This year's CN100 has increased its focus on longer-term resilience and looked at how indebted firms are, aside from what they owe their suppliers in the short term.

Carillion had total borrowing of £689m, according to its last full-year accounts, which added £34m in interest costs for the firm.

In the wake of its collapse, there was concern about how much debt the rest of the industry was sitting on, but analysis has shown that only the largest firms are borrowing significantly.

Across the 2018 CN100, 50 firms carry no debt at all. The remaining 50 have around £4.88bn in borrowing and this is overwhelmingly concentrated among the top 10 contractors, which account for 80 per cent of total CN100 borrowing while generating 46 per cent of revenue.

The top 10 have been increasing their debts too, with borrowing levels rising from £3.15bn in their previous accounts to £3.92bn in their most recent.

Balfour Beatty carried the most debt at £938m, but Kier reported the largest increase in total borrowing for this year's CN100, up by £328.6m to £631.8m.

The company says this debt is "underpinned" by the assets of its residential development business, which it values at around £500m, and this is an important factor to consider.

Debt is not an inherently bad thing, as the money can be put to productive and profitable uses, from buying better equipment to expanding into new areas and investing in new technology.

Taking this into account, *CN* has looked at company borrowing relative to the value of its total assets to understand how much value is dependent on debt.

Highly leveraged companies can be exposed to greater degrees of risk, as finance costs eat up more operating profit and reduce a firm's available cash.

> **"They have drawn down funding by raising debt, and rather than using that to improve the business, they have used it to expand the business"**
>
> IAN MARSON, EY

Our research shows Interserve, which had to get shareholder approval to raise its borrowing cap in April, is the most highly leveraged firm by some distance.

Balfour Beatty, which has the largest outright borrowing level, is only 11th on this measure of leverage thanks to its substantial assets.

This analysis also shows that a few firms further down our list of the biggest borrowers are quite highly leveraged relative to the value of their assets.

FM Conway in third spot has jumped up the table since taking on debt to fund two takeovers in its most recently reported financial year.

While borrowing is not inherently problematic, Mr Marson believes some firms ▶

LEVERAGE: MOST HIGHLY LEVERAGED CN100 FIRMS

Contractor	Leverage (latest)	Leverage (previous)
Interserve	38.1%	24.9%
Eric Wright Group	30.0%	24.3%
FM Conway	29.3%	10.6%
Galliford Try	28.5%	25.0%
Amey*	24.4%	32.4%
Sir Robert McAlpine	23.6%	23.9%
Hill Partnerships	23.4%	18.4%
Kier	22.8%	12.3%
Higgins Group	21.9%	14.5%
Imtech	21.0%	22.0%

*MAJORITY OF INTEREST-BEARING DEBT OWED TO A SUBSIDIARY OF AMEY'S PARENT, FERROVIAL

CN 100

> **"A soft Brexit could actually see quite a lot of heat return to the market, because it's probably been artificially cooled by Brexit uncertainty"**
> WILL WALLER, ARCADIS UK

> **It is difficult to see a rise in margins given decreasing workloads and strong competition, even in spite of the demise of Carillion"**
> NOBLE FRANCIS, CPA

that have taken on debt in recent years have little to show for it.

"They have drawn down funding by raising debt, and rather than using that to invest and improve the business, they have used it just to expand the business – they haven't grown margin out of the back of it," he says.

Paying off these huge sums is one challenge, but those in debt could be about to face the additional drain of paying higher costs on their borrowings.

"A lot of the bigger firms are geared up to the eyeballs," Mr Marson says. "Interest rates going up by even a quarter of a per cent adds a fortune to their monthly payments. If you've got more cash you can bear it [interest payments] for a bit longer."

CN also made note of companies with pension liabilities after Carillion collapsed with a deficit of £810m.

None have liabilities approaching anywhere near the levels of Carillion, with Sir Robert McAlpine reporting the largest pension fund deficit at £115m, down from £162m in its previous financial year.

Total outstanding pension liabilities for the top 100 were £887m, down from £1.08bn as per their previous accounts.

To put Carillion's deep-rooted problems into perspective again: if it were included in this year's list, its pension deficit would have accounted for 48 per cent of the entire CN100 shortfall.

Fortunately Carillion's attitude to pensions does not appear to be widespread and 66 of this year's top 100 have no reported pension deficit.

Outlook for contractors

Last year's CN100 found firms were dealing with uncertainty around Brexit and problem jobs affecting their bottom lines. That has not changed.

Firms are no clearer about what terms will be agreed ahead of the UK leaving the EU in little over six months, or what it could mean for future private and public investment, the availability of labour and the cost of materials.

There is some room for optimism though.

Arcadis UK director Will Waller says a soft Brexit deal, which ensures a strong trading relationship and relatively straightforward movement of goods with Europe, could boost the market in the short term.

"My view is that a soft Brexit could actually see quite a lot of heat return to the market, because it's probably been artificially cooled by Brexit uncertainty," he says.

Assuming government finances are not hammered in a hard Brexit, infrastructure spending could increase over the medium-to-long term, with the nation's infrastructure pipeline valued at £460bn-£600bn. Indeed, the government may seek to boost the market with a fiscal stimulus post-Brexit.

Balfour's Mr Quinn says: "As the market starts to grow – particularly in infrastructure – supply and demand is going to move towards the supply side, and that becomes an opportunity to make sure the right terms and conditions are signed with the right margins."

LEO QUINN
CHIEF EXECUTIVE
BALFOUR BEATTY

> **"We've been resolute about the fact that we don't want to be defined by growth; what we want to be defined by is the quality of our returns"**

Construction Products Association economics director Noble Francis agrees that the infrastructure sector could be primed for a boost in margins, but warns those in other sectors might face difficulty.

"In sectors such as commercial and industrial, it is difficult to see a rise in margins given decreasing workloads and strong competition, even in spite of the demise of Carillion," he says.

Looking further ahead, new technology could also provide more efficient ways of delivering projects through offsite manufacturing and advanced engineering solutions. Balfour Beatty, for example, has committed to reduce onsite construction by a quarter over the next seven years.

"The big players are now saying we need a new route to try to capture margins, and we can only do that through innovation," Mr Marson says.

Construction News has found there is cautious optimism about the next year across the construction industry, but with companies shoring up their balance sheets in case things take a turn for the worse.

However, some larger companies are still struggling to shake off the burden of legacy problem projects.

"My view at the moment is they have not actually arrested the decline and they are in negative territory, as the CN100 has identified," Mr Marson says.

Others, however, are coming through the other side.

Having described the UK construction business as Balfour Beatty's "nemesis", Mr Quinn tells *CN* it is becoming "the jewel in the crown", with margins for 2018 set to be in the 2-3 per cent range.

This has been supported by Balfour Beatty's stricter bidding processes, he says – a feature already being seen across many of the major firms in 2018, as turnovers fall back.

"We've been resolute about the fact that we don't want to be defined by growth; what we want to be defined by is the quality of our returns," Mr Quinn says.

And Balfour Beatty is not alone in turning away from growth to focus on cash and margins.

Morgan Sindall chief executive John Morgan recently told investors: "We're excited about construction and we're very happy for the turnover to come down."

And the director of the sub-£200m contractor put it most bluntly of all: "We're not looking to grow."

Mr Waller points out that while firms are becoming pickier about the projects they are taking, this is part of the luxury of operating in a relatively active market. "If demand in some sectors was to come off in the next year because of a no-deal Brexit or other factors, that behaviour could soon change," he says.

Accordingly, now does not appear to be a time for growth, but a time for consolidation. This can be seen from the CN100's strengthening balance sheets and the focus on getting cash in.

"It's not a lack of profitability that kills businesses; it's a lack of cash," VolkerWessels UK's Mr Robertson points out.

But concerns remain about the amount of debt certain firms are carrying.

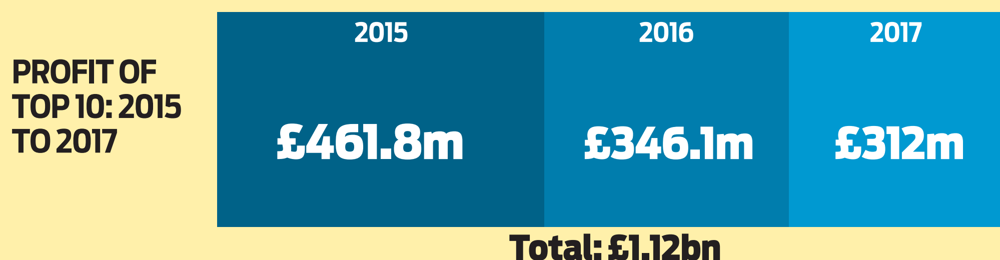
If Brexit is implemented successfully, those with shakier balance sheets will have longer to get their houses in order.

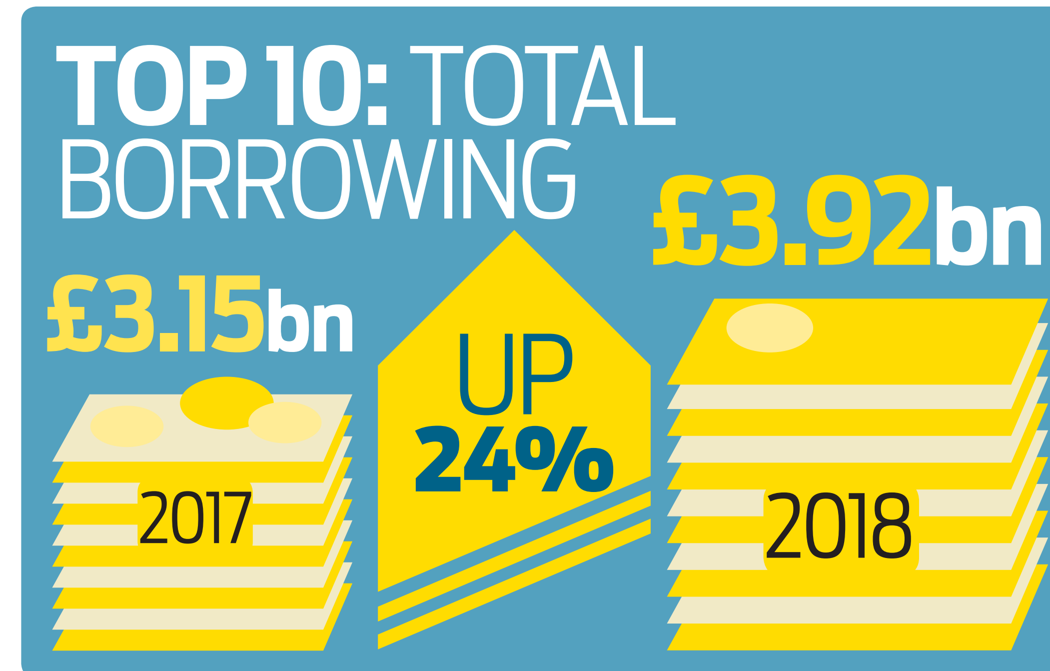
On the other hand, if the UK endures a chaotic exit from the EU, then a reckoning for some might not be too far away.

Either way, clients, investors, suppliers and all those working with contractors are now looking beyond headline profits, stung by Carillion's failure to back up its reported figures with robust business and financial checks.

Our 2018 analysis suggests firms are aware of the need to change and most are working hard to improve their resilience, while avoiding the problem projects that have put paid to some of their peers.

UNDERSTANDING CARILLION'S LOSS:
PRE-TAX PROFIT OF TOP 10 VS CARILLION'S FINAL LOSS





All CN100 coverage
Full analysis, reaction and results can be found online at
›››› constructionnews.co.uk

TOP CONTRACTORS: 1-50

Financial data for the CN100 was gathered via official accounts filed with Companies House, stock market publications, or figures provided directly by companies before 20 August 2018. Figures cover UK turnover excluding JVs.

Current rank	Previous rank	Change	Contractor	Turnover (£m) – latest	Turnover (£m) – previous	Pre-tax profit (£m) – latest	Pre-tax profit (£m) – previous	Change (£m)	Pre-tax margin – latest	Pre-tax margin – previous	Working capital ratio – latest	Working capital ratio – previous	Return on capital employed – latest	Return on capital employed – previous	Cash and equivalents (£m) – latest	Cash and equivalents (£m) – previous	Total borrowing (£m) – latest	Total borrowing (£m) – previous	Leverage – latest	Leverage – previous	Last analysed accounts
1	1	▶ 0	Balfour Beatty	6916.0	6923.0	117.0	10.0	107.0	1.7%	0.1%	0.92	0.91	6.4%	0.8%	968.0	769.0	938.0	829.0	19.2%	17.4%	31/12/2017
2	3	▲ 1	Kier	4128.8	3991.4	25.8	-34.9	60.7	0.6%	-0.9%	1.09	0.99	3.8%	-0.7%	499.8	186.7	631.8	303.2	22.8%	12.3%	30/06/2017
3	4	▲ 1	Interserve	3250.8	3244.6	-244.4	-94.1	-150.3	-7.5%	-2.9%	1.06	1.01	-26.4%	-8.3%	155.1	113.3	654.3	460.5	38.1%	24.9%	31/12/2017
4	7	▲ 3	Laing O'Rourke	2934.6	2353.6	-66.9	-245.6	178.7	-2.3%	-10.4%	0.79	0.75	-10.2%	-47.2%	324.0	271.0	266.7	225.6	15.3%	13.9%	31/03/2017
5	5	▶ 0	Morgan Sindall	2792.7	2561.6	64.9	43.9	21.0	2.3%	1.7%	1.03	1.02	18.6%	14.3%	221.2	228.5	27.8	19.8	2.2%	1.8%	31/12/2017
6	6	▶ 0	Galliford Try	2662.1	2494.9	58.7	135.0	-76.3	2.2%	5.4%	1.28	1.42	9.4%	17.0%	765.8	599.8	758.6	608.5	28.5%	25.0%	30/06/2017
7	8	▲ 1	Amey	2198.2	2232.5	-189.8	-43.9	-146.0	-8.6%	-2.0%	0.93	1.27	-15.4%	-1.2%	215.9	173.3	458.7	639.5	24.4%	32.4%	31/12/2017
8	9	▲ 1	Mace	1971.8	1965.9	23.0	10.7	12.3	1.2%	0.5%	1.24	1.04	10.5%	18.4%	195.8	116.6	161.5	4.9	17.1%	0.7%	31/12/2017
9	13	▲ 4	Skanska UK	1802.7	1650.6	13.5	23.7	-10.2	0.7%	1.4%	1.91	1.81	3.1%	5.1%	293.7	299.6	8.8	24.8	1.0%	2.8%	31/12/2017
10	14	▲ 4	ISG	1708.8	1329.3	9.1	4.8	4.3	0.5%	0.4%	0.76	0.77	7.9%	4.7%	75.7	92.8	11.8	32.0	1.8%	5.0%	31/12/2017
11	11	▶ 0	Costain	1684.0	1573.7	38.9	30.9	8.0	2.3%	2.0%	1.28	1.16	18.6%	17.2%	248.7	210.2	71.0	70.0	10.7%	10.8%	31/12/2017
12	12	▶ 0	Wates	1530.2	1441.6	32.9	32.9	0.0	2.1%	2.3%	1.02	1.02	15.7%	16.3%	169.5	191.6	20.8	32.9	3.0%	4.6%	31/12/2017
13	10	▼ -3	Bouygues UK	1386.8	1076.4	-53.7	3.3	-57.0	-3.9%	0.3%	1.08	1.10	-20.6%	-1.2%	327.7	191.1	48.0	0.0	5.4%	0.0%	2016-17*
14	15	▲ 1	Willmott Dixon	1296.4	1223.0	33.5	28.0	5.6	2.6%	2.3%	1.40	1.36	20.4%	12.8%	82.8	81.2	0.0	72.1	0.0%	11.5%	31/12/2017
15	18	▲ 3	Multiplex	1155.4	1035.9	4.2	16.0	-11.8	0.4%	1.5%	1.58	1.29	6.4%	12.0%	61.2	63.1	0.0	0.0	0.0%	0.0%	31/12/2017
16	17	▲ 1	Bam Construct	957.5	1072.2	19.3	26.2	-6.9	2.0%	2.4%	1.35	1.27	10.4%	14.7%	82.3	116.6	0.0	0.0	0.0%	0.0%	31/12/2017
17	23	▲ 6	Sir Robert McAlpine	942.5	869.6	-20.2	-43.2	23.0	-2.1%	-5.0%	2.00	2.14	-3.7%	0.3%	205.9	224.1	184.5	187.2	23.6%	23.9%	31/10/2017
18	21	▲ 3	Bowmer and Kirkland	928.3	930.7	64.4	61.5	3.0	6.9%	6.6%	1.70	1.58	14.0%	14.3%	315.5	267.7	40.6	41.4	5.0%	5.4%	31/08/2017
19	19	▶ 0	Vinci UK	870.7	948.8	22.4	4.6	17.9	2.6%	0.5%	0.99	0.79	23.0%	9.8%	210.3	62.6	22.0	0.0	4.0%	0.0%	31/12/2017
20	22	▲ 2	VolkerWessels UK	870.4	876.8	23.6	22.9	0.7	2.7%	2.6%	1.10	1.04	25.1%	27.4%	128.4	69.6	1.3	2.9	0.4%	0.9%	31/12/2017
21	28	▲ 7	Graham	767.6	565.9	13.1	16.1	-2.9	1.7%	2.8%	1.20	1.24	19.6%	25.5%	70.1	66.6	5.6	6.0	1.9%	2.6%	31/03/2018
22	29	▲ 7	Robertson	752.4	565.4	31.0	26.1	5.0	4.1%	4.6%	1.27	1.21	27.5%	34.4%	141.5	115.3	0.0	0.0	0.0%	0.0%	31/03/2018
23	27	▲ 4	Murphy Group	711.9	613.9	12.4	23.3	-10.9	1.7%	3.8%	n/a	1.35	n/a	6.5%	61.9	96.9	n/a	0.0	n/a	0.0%	31/12/2017
24	25	▲ 1	Bam Nuttall	673.8	637.0	12.8	14.3	-1.5	1.9%	2.2%	1.44	1.48	9.8%	12.4%	108.8	120.3	0.0	0.0	0.0%	0.0%	31/12/2017
25	New	-	Engie Regeneration*	665.8	291.6	-72.7	2.4	-75.1	-10.9%	0.8%	0.91	1.08	-12.1%	3.8%	18.5	13.8	0.0	0.0	0.0%	0.0%	30/09/2017
26	26	▶ 0	Morrison Utility Services	655.5	614.0	23.6	23.8	-0.2	3.6%	3.9%	1.95	1.82	13.8%	15.6%	21.5	68.0	0.0	0.0	0.0%	0.0%	31/03/2017
27	24	▼ -3	Lendlease	654.1	650.2	15.4	-0.5	15.9	2.4%	-0.1%	1.27	1.28	10.2%	-3.5%	60.2	69.0	0.0	0.1	0.0%	0.0%	30/06/2017
28	32	▲ 4	McLaren Construction	600.3	480.5	3.2	4.4	-1.2	0.5%	0.9%	1.13	1.17	16.4%	12.6%	54.1	47.4	0.0	0.0	0.0%	0.0%	31/07/2017
29	30	▲ 1	Renew	558.6	525.7	16.3	19.4	-3.1	2.9%	3.7%	0.72	0.70	46.9%	58.6%	7.0	14.1	3.1	9.3	1.4%	4.8%	30/09/2017
30	35	▲ 5	Carey Group	549.2	430.7	19.1	17.3	1.8	3.5%	4.0%	1.36	1.23	18.5%	21.7%	20.2	10.2	18.6	13.4	8.1%	6.9%	31/03/2017
31	33	▲ 2	Eurovia Group	486.2	498.4	22.2	16.0	6.2	4.6%	3.2%	1.12	1.07	22.8%	16.4%	75.1	86.0	15.3	20.8	8.2%	10.9%	31/12/2017
32	31	▼ -1	NG Bailey	481.0	500.3	19.6	18.6	1.0	4.1%	3.7%	1.49	1.36	12.0%	9.0%	14.5	11.0	0.0	0.0	0.0%	0.0%	02/03/2018
33	36	▲ 3	Winvic	462.1	417.7	28.5	21.9	6.6	6.2%	5.2%	1.32	1.16	85.9%	119.5%	53.5	47.2	0.0	0.0	0.0%	0.0%	31/01/2017
34	37	▲ 3	Buckingham Group	423.1	408.3	16.7	13.8	2.9	3.9%	3.4%	1.32	1.20	44.5%	48.7%	64.4	62.6	0.0	0.0	0.0%	0.0%	31/12/2017
35	38	▲ 3	Keltbray	417.5	369.4	23.4	23.6	-0.2	5.6%	6.4%	1.01	0.94	53.0%	66.6%	50.0	38.6	0.0	0.0	0.0%	0.0%	31/10/2017
36	39	▲ 3	Hill Partnerships	415.6	367.3	47.2	37.2	10.0	11.4%	10.1%	2.13	2.32	21.7%	19.6%	75.5	73.2	88.1	56.3	23.4%	18.4%	31/12/2017
37	85	▲ 48*	JRL Group	388.3	288.6	27.1	16.2	10.9	7.0%	5.6%	1.09	1.05	35.5%	30.2%	30.9	32.7	37.6	27.6	16.4%	17.9%	31/12/2017
38	52	▲ 14	Northstone (NI)	375.0	261.4	4.3	4.4	0.0	1.2%	1.7%	1.34	1.30	3.2%	4.4%	4.8	5.3	0.0	0.0	0.0%	0.0%	31/12/2016
39	45	▲ 6	Ardmore	370.7	303.6	15.0	2.9	12.1	4.1%	1.0%	1.02	1.01	32.5%	8.7%	96.6	50.0	1.1	3.5	0.6%	2.1%	30/09/2017
40	68	▲ 28*	Imtech	368.0	332.0	0.9	-0.1	1.0	0.2%	0.0%	1.10	1.23	172.7%	104.0%	29.3	19.9	30.5	29.9	21.0%	22.0%	31/12/2017
41	41	▶ 0	Osborne	348.1	342.2	3.6	3.0	0.6	1.0%	0.9%	1.17	1.15	13.0%	12.6%	22.1	26.7	2.0	0.0	1.9%	0.0%	31/03/2017
42	59	▲ 17	McAleer & Rushe	334.1	242.9	13.4	10.0	3.4	4.0%	4.1%	1.34	1.25	44.2%	51.8%	47.4	45.3	0.0	0.0	0.0%	0.0%	31/12/2017
43	40	▼ -3	SSE Contracting	330.0	353.9	-5.0	14.7	-19.7	-1.5%	4.2%	2.12	3.17	-3.4%	5.2%	0.1	0.5	0.0	0.0	0.0%	0.0%	31/03/2017
44	43	▼ -1	Byrne Group	321.7	329.4	1.7	-11.9	13.6	0.5%	-3.6%	0.97	0.97	9.0%	-45.3%	22.3	41.8	16.3	17.9	17.0%	13.2%	31/05/2017
45	47	▲ 2	TClarke	311.2	278.6	7.1	3.7	3.4	2.3%	1.3%	1.11	1.09	17.6%	11.7%	16.7	12.3	5.0	3.0	3.5%	2.5%	31/12/2017
46	50	▲ 4	Watkin Jones	301.9	267.0	43.3	13.3	30.0	14.3%	5.0%	2.29	1.71	28.0%	10.7%	65.3	47.2	24.3	15.0	9.7%	6.9%	30/09/2017
47	42	▼ -5	Lakehouse	299.5	327.2	-3.1	-35.7	32.6	-1.0%	-10.9%	1.34	1.10	-1.3%	-42.0%	26.1	0.0	27.1	20.7	17.6%	13.8%	30/09/2017
48	55	▲ 7	North Midland Construction	291.8	250.5	1.0	2.1	-1.1	0.3%	0.8%	0.96	1.00	7.6%	15.1%	17.0	11.4	0.0	0.0	0.0%	0.0%	31/12/2017
49	53	▲ 4	Higgins Group	290.6	260.4	6.6	5.8	0.8	2.3%	2.2%	1.46	1.27	9.1%	11.3%	34.4	31.4	49.7	25.8	21.9%	14.5%	31/07/2017
50	49	▼ -1	RG Carter	286.4	267.6	8.3	7.5	0.8	2.9%	2.8%	1.65	1.66	4.9%	4.5%	77.7	68.6	0.0	0.0	0.0%	0.0%	31/12/2016

*** BOUYGUES UK** = DATA AGGREGATED FROM ITS SEVEN UK-REGISTERED COMPANIES; LAST YEAR'S DATA WAS PROVIDED BY THE PARENT COMPANY | *** ENGIE** = ENGIE ACQUIRED KEEPMOAT'S REGENERATION BUSINESS IN JULY 2017 AND ITS RECENT ACCOUNTS COVER 18 MONTHS; KEEPMOAT'S HOUSING DEVELOPMENT ARM HAS NOT BEEN INCLUDED IN THE CN100 | ***JRL** = RECORDED AS J REDDINGTON IN LAST YEAR'S CN100 | *** IMTECH** = FIGURES IN LAST YEAR'S CN100 COVERED SEVEN MONTHS TO 31/10/2016; IMTECH HAS SINCE PROVIDED DATA FOR BOTH THE 12 MONTHS TO 31/12/2017 AND THE 12 MONTHS TO 31/12/2016

WORKING CAPITAL RATIO = RATIO OF CURRENT ASSETS TO CURRENT LIABILITIES | **RETURN ON CAPITAL EMPLOYED** = OPERATING PROFIT AS A PERCENTAGE OF CAPITAL ASSETS | **CASH AND EQUIVALENTS** = CURRENT ASSETS THAT CAN BE TURNED INTO CASH IN 90 DAYS OR LESS | **LEVERAGE** = TOTAL BORROWING AS A PERCENTAGE OF TOTAL ASSETS

CN 100

TOP CONTRACTORS: 51-100

Current rank	Previous rank	Change	Contractor	Turnover (£m) – latest	Turnover (£m) – previous	Pre-tax profit (£m) – latest	Pre-tax profit (£m) – previous	Change (£m)	Pre-tax margin – latest	Pre-tax margin – previous	Working capital ratio – latest	Working capital ratio – previous	Return on capital employed – latest	Return on capital employed – previous	Cash and equivalents (£m) – latest	Cash and equivalents (£m) – previous	Total borrowing (£m) – latest	Total borrowing (£m) – previous	Leverage – latest	Leverage – previous	Last analysed accounts
51	51	▶ 0	Severfield	274.2	262.2	22.2	18.1	4.1	8.1%	6.9%	1.50	1.36	11.9%	10.3%	33.1	32.9	0.0	0.0	0.0%	0.0%	31/03/2018
52	54	▲ 2	Clancy	270.3	257.2	0.7	3.4	-2.6	0.3%	1.3%	1.31	1.41	3.8%	8.1%	3.5	4.3	16.3	12.6	14.0%	12.5%	31/03/2017
53	66	▲ 13	Ogilvie	269.4	211.4	5.4	4.5	0.8	2.0%	2.1%	1.01	1.09	6.3%	5.8%	15.4	0.0	0.0	2.8	0.0%	1.2%	30/06/2017
54	48	▼ -6	Cape Industrial Services	267.8	295.5	-71.7	20.4	-92.1	-26.8%	6.9%	1.21	1.92	-65.9%	17.4%	16.2	24.3	0.0	0.0	0.0%	0.0%	31/12/2016
55	57	▲ 2	McLaughlin & Harvey	267.7	247.2	4.1	2.7	1.5	1.5%	1.1%	1.25	1.25	12.6%	8.0%	30.3	35.7	0.3	0.6	0.3%	0.6%	31/12/2017
56	64	▲ 8	Midas Group	267.4	213.6	0.7	1.6	-0.9	0.3%	0.8%	1.11	1.12	5.3%	13.4%	26.8	26.7	0.0	0.0	0.0%	0.0%	30/04/2018
57	46	▼ -11	Spie	263.0	278.3	-24.6	-13.0	-11.6	-9.4%	-4.7%	1.09	1.20	-59.9%	-19.7%	49.8	39.8	0.0	0.0	0.0%	0.0%	31/12/2016
58	56	▼ -2	FM Conway	252.5	247.8	23.5	17.9	5.6	9.3%	7.2%	1.14	1.02	14.5%	21.4%	15.2	7.7	75.0	17.2	29.3%	10.6%	31/03/2017
59	74	▲ 15	McNicholas Construction	247.7	179.5	-36.5	0.4	-36.9	-14.7%	0.2%	0.81	1.28	n/a	5.7%	n/a	n/a	9.1	8.7	16.9%	12.5%	30/06/2017
60	73	▲ 13	United Living Group	240.1	180.7	8.0	6.4	1.7	3.3%	3.5%	0.72	0.67	22.8%	19.1%	20.6	7.2	0.0	0.0	0.0%	0.0%	31/03/2018
61	34	▼ -27	John Sisk & Son	239.3	419.4	-10.9	-17.8	6.8	-4.6%	-4.2%	1.18	1.00	-65.1%	-1101.1%	12.7	17.8	0.0	0.0	0.0%	0.0%	31/12/2016
62	60	▼ -2	Esh	234.1	275.5	3.8	8.6	-4.8	1.6%	3.1%	1.48	1.48	4.1%	23.0%	25.7	29.1	19.0	13.7	16.5%	12.7%	31/12/2016
63	80	▲ 17	MV Kelly	233.0	173.2	12.1	7.7	4.4	5.2%	4.5%	1.18	1.16	148.3%	131.2%	11.2	11.4	0.0	0.0	0.0%	0.0%	31/05/2017
64	61	▼ -3	Rydon Group	227.5	242.4	9.2	7.8	1.5	4.1%	3.2%	1.59	1.62	12.6%	13.6%	36.8	27.2	0.0	0.0	0.0%	0.0%	30/09/2017
65	65	▶ 0	City Building (Glasgow)	219.2	208.4	-5.6	-11.2	5.6	-2.6%	-5.4%	0.97	1.02	-634.6%	-175.6%	6.9	4.2	0.0	0.0	0.0%	0.0%	31/03/2017
66	75	▲ 9	William Hare	217.8	179.8	2.4	1.7	0.7	1.1%	1.0%	1.36	1.40	5.3%	4.0%	15.2	0.0	0.0	0.0	0.0%	0.0%	31/12/2016
67	70	▲ 3	Michael J Lonsdale	215.3	187.1	7.1	4.9	2.2	3.3%	2.6%	1.08	1.08	99.1%	80.8%	42.2	32.1	0.0	0.0	0.0%	0.0%	30/09/2017
68	84	▲ 16	Morrisroe Group	214.4	162.4	16.2	14.3	1.8	7.5%	8.8%	1.63	1.62	33.3%	40.2%	68.2	33.3	0.0	0.0	0.0%	0.0%	31/10/2017
69	67	▼ -2	Seddon Group	204.8	204.8	5.3	5.1	0.2	2.6%	2.5%	2.26	2.38	7.4%	8.1%	18.6	22.0	0.4	1.9	0.3%	1.8%	31/12/2017
70	71	▲ 1	Forth Holdings	204.6	186.0	12.3	6.7	5.5	6.0%	3.6%	1.21	1.15	17.0%	14.1%	17.3	9.2	11.9	11.9	11.7%	14.1%	31/08/2017
71	58	▼ -13	Bechtel	201.5	227.7	19.1	-15.8	34.9	9.5%	-7.0%	2.21	2.18	21.2%	-18.3%	0.1	0.1	0.0	0.0	0.0%	0.0%	31/12/2017
72	77	▲ 5	Eric Wright Group	201.4	177.4	6.0	8.4	-2.4	3.0%	4.7%	1.87	2.11	3.0%	5.3%	14.8	19.8	58.0	43.9	30.0%	24.3%	31/12/2016
73	86	▲ 13	Cruden Holdings	200.6	154.2	10.5	7.6	2.9	5.2%	4.9%	1.54	1.46	23.1%	19.2%	42.0	26.8	1.0	5.3	0.9%	5.5%	31/03/2017
74	69	▼ -5	Dawnus Group	196.8	189.7	3.6	-9.0	12.6	1.8%	-4.8%	1.02	1.14	9.0%	-18.7%	7.2	10.3	7.3	7.5	8.1%	8.3%	31/12/2016
75	76	▲ 1	Briggs & Forrester	181.7	177.5	5.7	4.4	1.3	3.1%	2.5%	1.22	1.19	25.3%	24.4%	32.5	28.8	2.5	5.1	2.3%	5.2%	31/10/2017
76	79	▲ 3	Tolent	178.4	173.2	3.7	1.1	2.6	2.1%	0.6%	0.94	0.94	36.5%	12.1%	18.4	23.7	2.2	3.1	3.4%	4.8%	31/12/2017
77	100	▲ 23	Clugston	175.4	118.2	-0.5	1.0	-1.5	-0.3%	0.9%	1.30	1.50	-4.4%	1.9%	30.0	18.1	0.0	0.0	0.0%	0.0%	31/01/2018
78	63	▼ -15	Babcock Rail	173.4	251.1	1.9	12.2	-10.3	1.1%	4.9%	2.81	2.58	0.9%	6.2%	12.4	24.2	5.7	5.7	2.5%	2.4%	31/03/2018
79	81	▲ 2	SDC	164.6	165.7	1.4	1.4	0.1	0.9%	0.8%	1.11	1.07	14.1%	16.8%	14.9	14.5	0.0	0.0	0.0%	0.0%	30/09/2017
80	94	▲ 14	One Group Construction	162.6	135.5	6.4	7.6	-1.2	3.9%	5.6%	0.94	0.96	40.3%	45.3%	32.3	28.3	2.9	0.6	3.7%	0.9%	31/12/2017
81	96	▲ 15	Hochtief UK	155.1	130.1	-3.2	0.9	-4.1	-2.1%	0.7%	1.37	1.35	-16.3%	6.5%	6.0	10.6	0.0	0.0	0.0%	0.0%	31/12/2016
82	New	-	Alun Griffiths	154.3	104.9	2.3	1.2	1.1	1.5%	1.2%	1.00	1.04	63.6%	26.2%	12.4	5.5	1.4	1.5	3.2%	5.5%	31/12/2016
83	87	▲ 4	Erith	152.9	150.0	10.2	9.9	0.4	6.7%	6.6%	1.54	1.48	39.6%	39.8%	9.5	11.2	9.8	0.0	16.8%	0.0%	30/09/2017
84	97	▲ 13	Lindum	149.9	127.9	7.3	5.0	2.3	4.8%	3.9%	1.53	1.49	17.2%	12.0%	22.1	21.4	0.0	0.0	0.0%	0.0%	30/11/2017
85	New	-	Novus	148.6	130.3	5.4	4.3	1.1	3.7%	3.3%	1.61	1.82	35.1%	27.7%	4.6	7.1	0.0	0.0	0.0%	0.0%	31/12/2017
86	New	-	Gilbert Ash	148.0	117.3	1.4	0.2	1.2	1.0%	0.2%	1.32	1.34	14.1%	2.0%	17.9	15.0	0.0	0.0	0.0%	0.0%	31/12/2016
87	83	▼ -4	RGCM	147.4	165.2	1.4	1.6	-0.2	1.0%	1.0%	1.18	1.19	23.7%	21.1%	7.5	5.4	0.0	0.0	0.0%	0.0%	31/12/2016
88	89	▲ 1	Caddick Group	146.3	147.5	8.0	18.8	-10.9	5.4%	12.8%	2.06	2.15	9.3%	22.9%	33.5	28.1	8.8	9.4	6.4%	7.5%	31/08/2017
89	New	-	Gratte Brothers	146.0	104.4	1.4	-1.0	2.4	1.0%	-0.9%	1.04	1.01	16.4%	-13.1%	9.1	0.8	0.0	0.0	0.0%	0.0%	31/12/2017
90	New	-	Dodd Group	144.4	106.8	3.9	2.9	1.0	2.7%	2.7%	1.84	2.07	12.0%	8.5%	24.4	20.7	0.0	0.0	0.0%	0.0%	31/03/2017
91	93	▲ 2	E W Beard	144.1	136.4	3.9	4.0	-0.2	2.7%	3.0%	1.17	1.14	29.3%	35.8%	24.0	19.5	0.0	0.0	0.0%	0.0%	31/12/2017
92	New	-	Shaylor Group	143.8	100.8	7.0	4.7	2.3	4.8%	4.7%	1.38	1.62	42.7%	23.7%	14.7	11.9	0.0	0.7	0.0%	1.5%	30/09/2017
93	92	▼ -1	Durkan Holdings	140.5	141.1	9.2	10.2	-1.0	6.6%	7.2%	1.87	2.01	11.1%	8.7%	35.4	13.0	7.1	14.2	5.0%	12.0%	30/11/2017
94	72	▼ -22	Lorne Stewart	140.0	135.3	-8.5	1.4	-9.9	-6.1%	1.0%	1.65	1.99	-28.5%	4.2%	9.2	10.1	0.0	0.0	0.0%	0.0%	31/12/2017
95	New	-	Actavo	139.5	115.7	-4.8	2.9	-7.7	-3.4%	2.5%	0.71	0.79	-15.7%	8.9%	0.8	5.3	15.5	12.6	14.6%	13.3%	31/12/2016
96	New	-	GF Tomlinson	137.0	105.1	1.4	3.9	-2.5	1.0%	3.7%	1.07	1.10	10.0%	28.1%	8.7	9.7	0.0	0.0	0.0%	0.0%	31/12/2017
97	78	▼ -19	Mulalley & Company	135.5	147.8	4.4	6.3	-1.9	3.3%	4.2%	2.32	2.33	7.2%	10.7%	4.2	4.5	0.0	0.0	0.0%	0.0%	31/03/2018
98	95	▼ -3	Wood Group	135.3	137.0	13.9	12.3	1.7	10.3%	9.0%	1.79	2.03	33.7%	31.1%	21.3	41.4	0.0	0.0	0.0%	0.0%	31/12/2016
99	82	▼ -17	R J McLeod	134.9	165.7	21.8	18.0	3.9	16.2%	10.8%	1.99	1.90	42.9%	36.4%	41.1	42.9	0.0	0.0	0.0%	0.0%	29/10/2017
100	New	-	CJ O'Shea	132.8	178.6	20.1	7.5	12.6	15.1%	4.2%	2.73	2.51	21.2%	10.3%	23.3	9.3	0.0	2.2	0.0%	2.3%	31/03/2017

WORKING CAPITAL RATIO = RATIO OF CURRENT ASSETS TO CURRENT LIABILITIES | **RETURN ON CAPITAL EMPLOYED** = OPERATING PROFIT AS A PERCENTAGE OF CAPITAL ASSETS | **CASH AND EQUIVALENTS** = CURRENT ASSETS THAT CAN BE TURNED INTO CASH IN 90 DAYS OR LESS | **LEVERAGE** = TOTAL BORROWING AS A PERCENTAGE OF TOTAL ASSETS