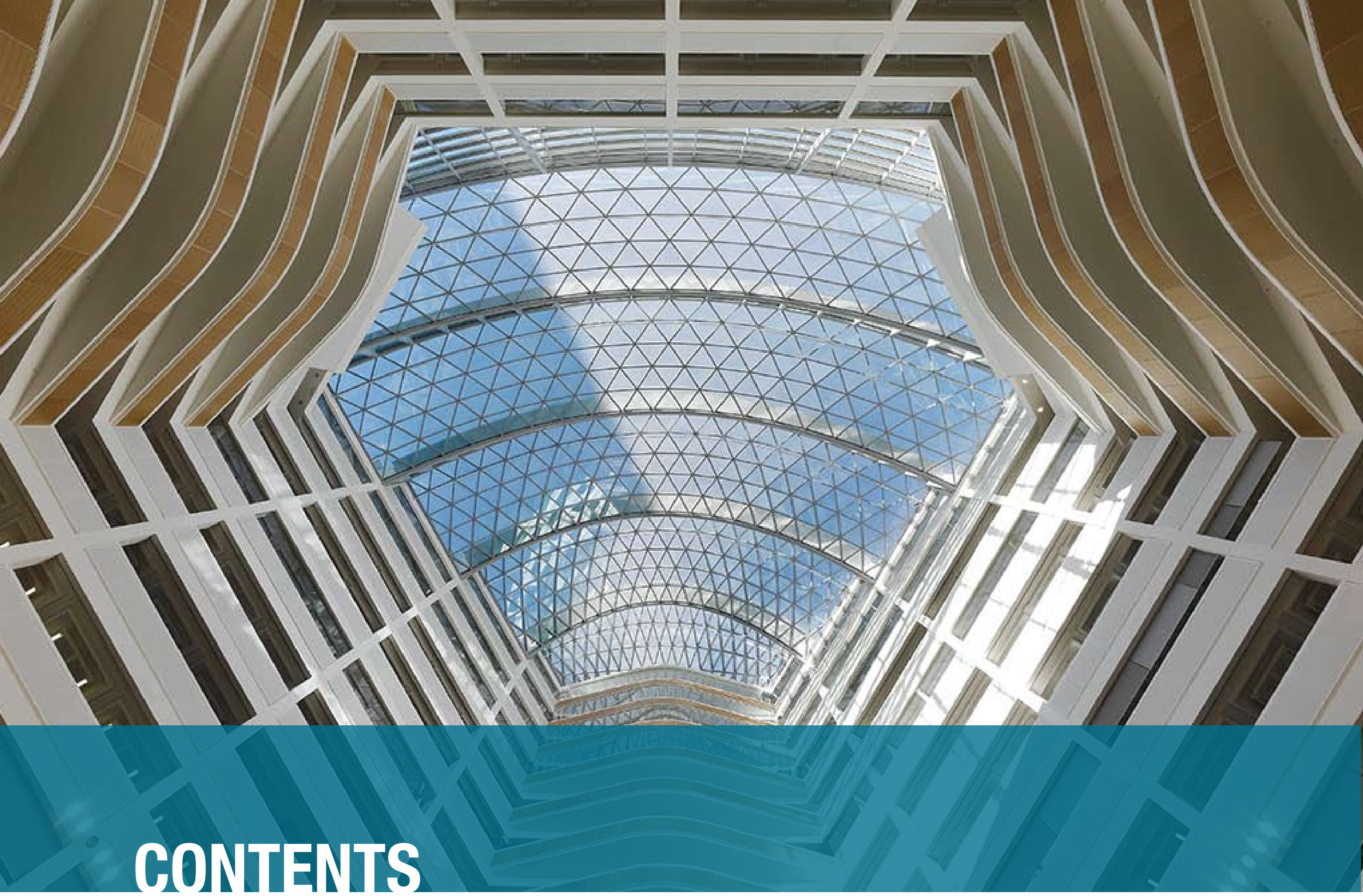
www.lornestewart.com

Lorne Stewart

Lorne Stewart Plc 2012

summary report and accounts



CONTENTS

CHAIRMAN'S REPORT

To the stakeholders of Lorne Stewart plc:

Last year we talked about the perils of 'skinny-dipping' when the tide moves out – while this year we have indeed tried to use that to our advantage, opportunistically picking up key assets when pessimism is highest and helping further rationalize the construction industry at a time of low to no growth and tight margins.

In August 2012, we acquired most of the Rotary Group business in the United Kingdom for a fraction of what it previously sold to the Australian Hastie Group in 2008. Rotary is a fine business with approximately £100 million in turnover and an exemplary reputation for quality and expertise and moreover one that Lorne Stewart can both add to and learn from. Rotary's recent top tier projects have included Rolls Royce, Riverlight and Leicester New College. The company's strength in the North complements our own in the West and together we can present a solid offering in the ever-competitive South East market. We warmly welcome over 400 new employees to the Lorne Stewart Group and promise to serve dozens of new clients with the highest calibre people, well-engineered processes and solid experience the industry requires.

Furthermore, we are seeing the first signs of an industry stabilizing for the long-term. Sub-contractors are finally pushing back on their upstream clients' desire to push down pain and are also more mindful of the hazardous journey of bidding with no margin in the vain hope of making it up on the job. This gradual return to sanity should afford a more adequate return on capital and effort for all survivors left standing.

Our strategy at Lorne Stewart remains a steadfast focus on long-term viability. We are currently integrating Rotary to yield an optimal national footprint, consistent brand name and best practice from sales and marketing through to cost control and execution. Towards this end, I am pleased to report that the Lorne Stewart side of the house performed well in Fiscal Year 2012 remaining consistently profitable. Revenues for the year were £167 million, an increase of £5 million on the previous year's figure of £162million while pre-tax profits edged higher to £8.6 million, up 10% against the £7.8 million in Fiscal Year 2011. Combined with Rotary, we ended the year with approximately 1,400 employees, 23 branches, £29 million in cash, revenues of £212 million, pre-tax profit of £7.1 million, and no financial debt. Our Contracting business' notable projects include J1 Kings Cross, HM Prison Frankland, Energy for Waste, D4L Morrison Hospital, Eastern PRIME Framework and SLAM various projects. Concurrently, our Services business has also won important new assignments such as Virgin Trains, Cornwall Council and Wirral Hospital.

"Our strategy at Lorne Stewart remains a steadfast focus on long-term viability. Weare currently integrating Rotary to yield an optimal national footprint, consistent brand name and best practice from sales and marketing through to cost control and execution."

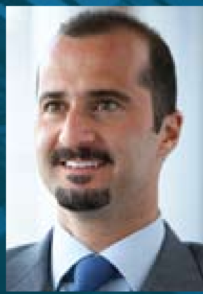
As last year, Lorne Stewart also has an eye to increased scale. Clients continue to be keen on shorter supplier lists based on larger and better capitalized companies. Organic growth is challenging but must be pursued as the least costly form of growth; corporate combinations, as with Rotary, are never easy to plan for nor execute but we keep a vigilant eye to acquire assets at an opportune time in the cycle.

A familiar refrain, we enter the new year with the same passion and determination to be the leading mechanical and electrical engineering player in the UK. On behalf of our company, board and shareholders, we thank our customers and suppliers for placing their confidence in us to perform for them. Moreover, we express our deepest gratitude to our people. We strive to warrant their continued trust.

Respectfully,

Tarek AbuZayyad
Group Chairman

REPORT OF THE DIRECTORS



Tarek AbuZayyad
Group Chairman

Jacob Kurian
Director

RoSPA 2012 GOLD MEDAL Award

GROUP TURNOVER

£212,222,000

PROFIT BEFORE TAX

£7,089,000

The following is an extract from the Report of the Directors' including in the Group's full Report and Accounts for the year ended 31st December 2012.

RESULTS AND DIVIDEND

The consolidated profit for the year, after taxation, is £5,351,000 (2011: £5,738,000). During the year the company paid a final dividend of £5,000,000 in respect of the previous year ended 31 December 2011.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The group's principal activities during the year continued to be building and engineering services, covering the following areas: heating, mechanical, electrical, ventilation, public health, air conditioning, data cabling, IT solutions, floodlighting, security systems, maintenance, facilities management and design. The group's key financial and other performance indicators during the year were as follows:

	2012 £000	2011 £000	Change %
Group turnover	**212,222**	162,040	31.0%
Operating profit	**5,640**	6,763	(16.6%)
Profit before tax	**7,089**	7,841	(9.6%)
Profit after tax	**5,351**	5,738	(6.7%)
Shareholders' funds	**11,332**	14,132	(19.8%)
Current assets as % of Current liabilities	**103%**	130%	(20.8%)
Average number of employees	**1,433**	1,163	23.2%

Group Turnover increased by 31% in 2012, mainly as a result of the recent acquisition of certain Rotary Companies, namely Rotary North West Ltd, Rotary Yorkshire Ltd, Rotary Southern Ltd and CA Sothers Ltd on 3 August 2012. Operating profit decreased by 16.6% in the year, due


P M Mathew
Group Finance Director


Gary Worrall
CEO Contracting


Paul Rogers
CEO Facilities Services


Paul Hughes
Group Commercial & Legal Director


Inbaraj Rajakumar
Company Secretary

to the operating loss from the acquisition and restructuring costs. We continue our policy of being selective in tendering in the general market, maximising the opportunities and the restructuring being carried out to meet the challenging market environment.

Shareholders' funds decreased by 19.8% in the year, as a result of an increase in the pension liabilities. The group's "quick ratio" (current assets as a percentage of current liabilities) has reduced to 103%. The overall cash position of the group has decreased to £28,929,000, a decrease of 18% over the previous year, after the dividend payment of £5,000,000 and funding for the recent acquisition. The average number of employees increased by 23.2%, again due to the acquisition of the Rotary companies.

> "The strategic acquisition of the Rotary companies has enabled the group to grow and thereby diversify its customer relationships in a volatile and uncertain market."

PRINCIPAL RISKS AND UNCERTAINTIES

The recession continues to bite, making winning work at reasonable margins challenging. The group however rigorously maintains its risk management procedures to ensure that the group does not take on any projects that are classified as high risk.

COMMERCIAL PROJECT MANAGEMENT

The commercial team and policy is regularly updated to reflect the new challenges that arise from the changing market.

CREDIT RISK

The tightening of the market is squeezing margins from all levels of the supply chain making insolvency a high risk at client level as well as sub-contractor / supplier level. The group is therefore vigorously maintaining compliance with its stringent credit criteria both up line and down line.

FUTURE DEVELOPMENTS

The strategic acquisition of the Rotary companies has enabled the group to grow and thereby diversify its customer relationships in a volatile and uncertain market.

FIXED ASSETS

The group is committed to a process of continual modernisation and investment in technology and specialist equipment to help improve its productivity.

POLITICAL AND CHARITABLE DONATIONS

During the year the group made charitable donations of £4,700 (2011: £5,700) and made an arrangement to sponsor Barnardo's. The company encouraged its employees to engage with the community and in addition to other projects, the sum of £10,000 was raised by the company and employees for the Barnado's in 2012. The group has not made any political donations nor incurred any political expenditure during the year (2011: £nil).

HEALTH AND SAFETY

In line with the combined organisation, the departmental function and documentation has been reorganised as SHE department. All the related documentation have been realigned with this strategy. Lorne Stewart continues its ever better Health and Safety performance through improved workplace statistics and has received the ROSPA Gold Award for 5 years. The environmental strategy of the group is delivering tangible benefits through savings brought about by conference calling etc. This is generating further benefits with video conferencing also being introduced. The group is also actively seeking to obtain certification to ISO 14001 and 18001 during 2013 to further emphasize its resolve in this aspect.

QUALITY MANAGEMENT

The Company is certified to ISO 9001:2008 and went through external surveillance audits through the year. Based on the positive recommendations and review of audit findings during the previous

REPORT OF THE DIRECTORS

> We are an equal opportunity employer and are opposed to any form of discrimination.

certification period, recertification for a further 3 year period has been confirmed. As a part of continuous improvement of processes, our estimation database is operated from a hosted environment at a remote data centre. e-Procurement has been successfully trialled with a sample of suppliers and will be extended to additional suppliers. Mileage claim reimbursements are processed online by employees ensuring speedy and consistent processing.

TRAINING

The Group is committed to on-going training for all levels of employees, both in Technology, Health and Safety and Management Skills. We have also continued our support and training for apprentices who have been given recognition at national levels. Our training and development policies are constantly reviewed to mirror our needs in a challenging and developing market place.

We have continued to develop our in house 'Lorne Stewart Academy' which has a wide range of development opportunities for our staff. Management toolkits have been added to the academy to ensure managers have instant guidelines available as and when needed. In addition, several in-house training sessions have been provided to managers to equip them with up to date employment/management skills.
A number of managers have enrolled to study within our Academy for a Foundation Degree in Management Skills in association with Stafford University.

We are continuing our efforts to maintain Lorne Stewart as an employer of choice in our industry and 2012 saw further investment to underpin the Group's recognition of and commitment to offering comprehensive personal development opportunities.

EMPLOYEE INVOLVEMENT

We continue to provide employees with information about the Group which we achieve through regular discussions with employees, including meetings at Branch and Divisional level and the continuation of our In-House magazine 'Touchline' and local toolbox talks.

Employees at all levels are encouraged to participate directly in the success of the business through the profit related bonus scheme and achievement awards. We also participate in the Barnado's charity which allows the employees nationally to get involved to make a difference.

EMPLOYMENT OF DISABLED PERSONS

The Directors support the promotion of equality of opportunity between disabled people and others in respect of all employment matters continuously seeking to improve working conditions and career progression for disabled staff.

EQUAL OPPORTUNITIES

The group is an equal opportunity employer and is opposed to any form of discrimination on the grounds of race, colour, ethnic or national origin, sex or marital status, disability, age or other factors that lead to employees being disadvantaged by conditions or requirements.

The Group is committed to implement the requirements of all Legislation and Codes of Practice. We also operate policies of non-discrimination for any factors that may lead to employees being disadvantaged by conditions or requirements which cannot be shown to be justifiable.

SUPPLIER PAYMENT POLICY

The policy of the group is to pay its suppliers based on the terms negotiated and in accordance with industry practice. At 31 December 2012, the average number of days taken to pay our suppliers is 75 days (2011: 47 days).

DISCLOSURE OF INFORMATION TO THE AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the group's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board
6th March 2013

GROUP PROFIT & LOSS ACCOUNT

For the year ended 31 December 2012

	Note	2012 £000	2012 £000	2011 £000	2011 £000
GROUP TURNOVER	2				
Continuing operations		166,639		162,040	
Acquisitions		45,583		-	
			212,222		162,040
Cost of sales			(196,452)		(150,629)
GROSS PROFIT			15,770		11,411
Administrative expenses before one-off operating items		(9,261)		(4,306)	
One-off operating items - restructuring costs		(869)		(342)	
Administrative expenses			(10,130)		(4,648)
GROUP OPERATING PROFIT					
Continuing operations		7,163		6,763	
Acquisitions		(1,523)		-	
TOTAL OPERATING PROFIT			5,640	6,763	
Profit on sale of fixed assets	5		69		14
Interest receivable and similar income			936		724
Other finance income			444		340
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,089		7,841	
Tax on profit on ordinary activities			(1,738)		(2,103)
PROFIT FOR THE YEAR			5,351		5,738

Movements on reserves are shown in note 11.

The Summary Report and Accounts on page 8 and 10 and notes on pages 11 and 15 are an extract from the statutory accounts for the year 2012 which have been delivered to the Registrar of Companies and on which the auditors have issued an unqualified audit report.

The Summary Report and Accounts do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. Full annual accounts and auditors report are available on request.

GROUP BALANCE SHEET

At 31 december 2012

	Note	2012 £000	2012 £000	2011 £000	2011 £000
FIXED ASSETS					
Tangible assets	6		7,282		2,849
Goodwill	13		8,776		-
Investment			-		50
			16,058		2,899
CURRENT ASSETS					
Debtors: amounts falling due within one year:		51,504		22,931	
amounts falling due after one year	7	6,153		4,041	
		57,657		26,972	
Cash at bank and in hand	9	28,929		35,278	
		86,586		62,250	
Creditors: amounts falling due within one year	10	(83,735)		(47,725)	
Net current assets			2,851		14,525
Total assets less current liabilities			18,909		17,424
Pension liabilities			(7,577)		(3,292)
NET ASSETS			11,332		14,132
CAPITAL AND RESERVES					
Share capital	12		5,211		5,211
Profit and loss account	11		4,676		8,921
Revaluation reserve	11		1,445		-
SHAREHOLDERS' FUNDS	11		11,332		14,132

Approved by the Board on 6th March 2013

GROUP STATEMENT OF CASH FLOWS

For the year ended 31 December 2012

	2012 £000	2012 £000	2011 £000	2011 £000
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		(2,613)		5,035
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Net interest received		1,279		372
TAXATION				
Corporation tax paid		(2,225)		(2,023)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payments to acquire tangible fixed assets	(134)		(377)	
Payments to acquire investment	-		(50)	
Receipts from sales of tangible fixed assets	72		15	
	(62)		(412)	
ACQUISITIONS				
Purchase of subsidiary undertaking	(1,437)		-	
Net cash acquired with subsidiary	3,709		-	
	2,272		-	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		2,210		(412)
DIVIDEND PAID ON SHARES CLASSIFIED IN SHAREHOLDERS' FUNDS		(5,000)		(5,100)
DECREASE IN CASH IN THE YEAR		(6,349)		(2,128)

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2012

	2012 £000	2011 £000
Profit for the financial year	5,351	5,738
Unrealised surplus on revaluation of properties	1,445	-
Actuarial (loss)/gain on pension schemes	(5,708)	1,255
Deferred tax on the actuarial loss/(gain)	1,313	(314)
Effect of decreased tax rate	(201)	(226)
Total gain since last annual report	2,200	6,453

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2012. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Investments

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

Tangible fixed assets and depreciation

All fixed assets are initially recorded at cost, except for freehold and long-leasehold buildings. Depreciation is provided to write off the cost less the estimated residual value by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	10%
Plant and machinery (including computers)	25%
Fixtures and fittings	10%
Motor vehicles	20%
Commercial vehicles	25-50%
Freehold buildings	2%

No depreciation is provided on freehold land. During the year the group decided to change its accounting policy for the valuation of freehold and long-leasehold buildings, instead of holding these assets at cost, they have been revalued in the year to current market value. This will mean that going forward the group will continue to adopt a valuation method over this class of fixed asset.

Goodwill and negative goodwill

Purchased goodwill (both positive and negative) arising on consolidation in respect of acquisitions before 1 January 1998, when FRS 10 'Goodwill and intangible assets' was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life. The estimated useful life of the group's goodwill is 20 years.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Rentals payable under operating leases are charged against operating profit on a straight line basis over the period of the lease.

Post-retirement benefits

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The Group operates three defined benefit pension schemes, providing benefits based on final pensionable pay all of which require contributions to be made to separately administered funds. The pension costs are accounted for in accordance with FRS 17. The company closed the main scheme to future accrual on 30 September 2006.

Pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Long term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

NOTES TO THE FINANCIAL STATEMENTS

Cash
Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Dividends on shares presented within equity
Dividends are only recognised as a liability to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 TURNOVER AND SEGMENTAL INFORMATION
Turnover represents the net recoverable value of work completed on contracts in the year, together with the net invoiced value of sales of other goods and services, excluding value added tax. Turnover is attributable to one class of business, the provision of building and engineering services, including facilities management. The group operates within the United Kingdom only.

Turnover from acquisitions is detailed on the face of the profit and loss account.

3. STAFF NUMBERS AND COSTS
The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of Employees	
	2012	2011
Office and management	511	419
Production and sales	922	744
	1,433	1,163

The aggregate payroll costs of these persons were as follows:

	2012 £000	2011 £000
Wages and salaries	47,267	41,871
Social security costs	4,597	4,167
Pension costs:		
Defined benefit	63	100
Defined contribution	1,016	989
	52,943	47,127

4. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT UNDERTAKING
The profit in respect of the parent undertaking for the year ended 31 December 2012 was £5,402,000 (2011: £5,738,000).

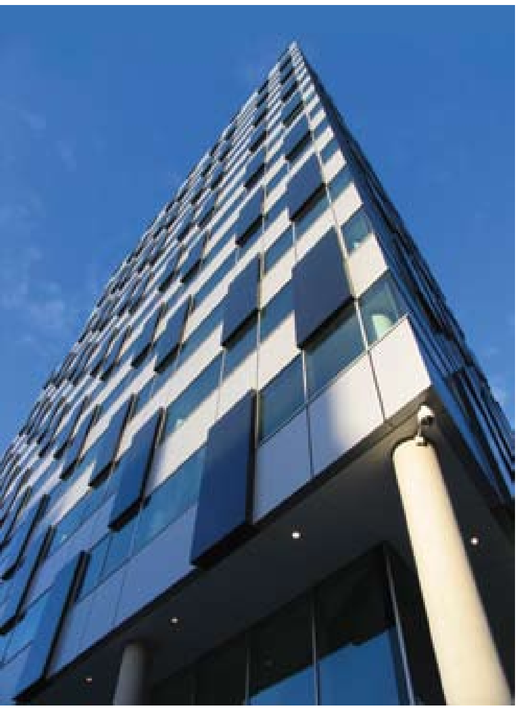
5. PROFIT ON SALE OF FIXED ASSETS

	2012 £000	2011 £000
Profit on sale of fixed assets	69	14

6. TANGIBLE FIXED ASSETS
GROUP

	Leasehold improvements £000	Freehold land and buildings £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost or valuation					
At beginning of year	1,152	2,970	5,739	2,829	12,690
Additions	8	-	79	36	123
Disposals	-	-	(24)	(595)	(619)
Revaluation	-	1,445	-	-	1,445
Acquired in business combination	648	2,570	101	172	3,491
At end of year	1,808	6,985	5,895	2,442	17,130
Depreciation					
At beginning of year	942	953	5,373	2,573	9,841
Charge for year	108	125	171	218	622
On disposals	-	-	(24)	(591)	(615)
At end of year	1,050	1,078	5,520	2,200	9,848
Net book value					
At 31 December 2012	**758**	**5,907**	**375**	**242**	**7,282**
At 31 December 2011	210	2,017	366	256	2,849

In accordance with the valuation requirements of FRS15, the directors commissioned an independent desktop property valuation by Everett Newlyn (RICS) in February 2013. The valuation was compared to the carrying value of the group's land and buildings as at 31 December 2012. An uplift of £1,445,000 has been adjusted to reflect market values and in the fair values of assets acquired.



7. DEBTORS

	2012 £000	2011 £000
Trade debtors	**21,691**	10,812
Amounts recoverable on contracts	**30,012**	11,432
Prepayments and accrued income	**2,936**	2,907
Amount due from group undertaking	**-**	482
Deferred tax assets	**1,350**	622
Other debtors	**1,668**	717
	57,657	26,972

Amounts falling due after more than one year included above are:

	2012 £000	2011 £000
Trade debtors	**4,803**	3,419
Deferred tax assets	**1,350**	622
	6,153	4,041

8. DEFERRED TAX

The movement in the deferred taxation asset during the current year is as follows:

	£000
At 1 January 2012	**1,720**
Movement during year:	
Accounted for in the Profit & Loss Account	**(146)**
Accounted for in the Statement of Total Recognised Gains and Losses	**1,159**
Addition through acquisition	**880**
At 31 December 2012	**3,613**

The deferred taxation included in the financial statements is as follows:

	2012 £000	2011 £000
Difference between accumulated depreciation and capital allowances	**(118)**	(64)
Other timing differences	**1,468**	686
Pension – Profit & Loss Account	**(1,410)**	(1,416)
Pension – Statement of Total Recognised Gains and Losses	**3,673**	2,514
	3,613	1,720
Included in debtors	**1,350**	622
Included in defined benefit pension liabilities	**2,263**	1,098
Net deferred tax asset	**3,613**	1,720

The group holds tax losses of £11,262,000 available for carry forward and offset within individual subsidiaries' future taxable profits arising from the same trade. As a result of these losses the group has a potential deferred tax asset of £2,590,000, which has not been recognised in these financial statements as its future recovery is uncertain. This potential deferred tax asset will be recognised when it can be regarded as more likely than not that there will be sufficient taxable profits from which tax losses can be deducted.

NOTES TO THE FINANCIAL STATEMENTS

9. CASH IN BANK AND IN HAND

	2012 £000	2011 £000
At 1 January	**35,278**	37,406
Net cash flow in year	**(6,349)**	(2,,128)
At 31 December	**28,929**	35,278

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £000	2011 £000
Trade creditors	**55,214**	24,879
Amount owed to related party	**288**	-
Accruals	**20,882**	14,961
Payments on account	**2,812**	3,579
Other creditors, taxation and social security	**3,836**	3,113
Group Relief - Due to group undertaking	**-**	-
Corporation tax	**703**	1,193
	83,735	47,725

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Revaluation reserve £000	Share capital £000	Profit and loss account £000	Total £000
Profit for the year	-	-	5,351	5,351
Actuarial loss on pension schemes (net of deferred tax)	-	-	(4,596)	(4,596)
Dividend paid	-	-	(5,000)	(5,000)
Added during the year	1,445	-	-	1,445
Net increase to shareholders' funds	1,445	-	(4,254)	(2,800)
As at 1 January 2012	-	5,211	8,921	14,132
As at 31 December 2012	**1,445**	**5,211**	**4,676**	**11,332**

12. CALLED UP SHARE CAPITAL

	2012 £000	2011 £000
Authorised		
10,000,000 Ordinary shares of £1 each	**10,000**	10,000
Allotted, called up and fully paid		
5,210,645 Ordinary shares of £1 each	**5,211**	5,211

13 ACQUISITIONS

On 3rd August 2012 the Group acquired all of the shares of Rotary North West Ltd, Rotary Yorkshire Ltd, Rotary Southern Ltd and C A Sothers Holdings Ltd (holding company of CA Sothers Ltd). In addition, certain properties were purchased from other Rotary companies. The resulting goodwill was capitalised and will be written off over 20 years. The reason for selecting that period are based on the medium to long-term UK construction industry outlook.

DIRECTORS, AUDITORS & BANKERS

DIRECTORS

T AbuZayyad
P M Mathew
G R Worrall
J Kurian
PV Black (resigned 17 August 2012)
P Hughes (appointed 5 December 2012)
P Rogers (appointed 5 December 2012)

SECRETARY

I Rajakumar

AUDITORS

KPMG LLP
London North
58, Clarendon Road
Watford
WD17 1DE

BANKERS

Barclays Bank PLC
1 Churchill Place
Canary Wharf
London
E14 5HP

REGISTERED OFFICE

Stewart House
420 Kenton Road
Harrow
Middlesex
HA3 9TU



Registered Office:
Lorne Stewart Plc,
Stewart House,
420 Kenton Road,
Harrow,
Middlesex HA3 9TU

Tel 0208 732 2000 | www.lornestewart.com