Laing O'Rourke Corporation Limited
Annual Report and Accounts

For the year ended 31 March 2024

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Front and back cover image:
Hinkley Point C – Somerset, UK

KEY PERFORMANCE INDICATORS

Financial performance highlights

Pre-exceptional managed revenue[1]
£4.8bn
FY23: £4.0bn

Pre-exceptional Group revenue[1]
£4.0bn
FY23: £3.4bn

Pre-exceptional EBIT[1]
£75.6m
FY23: £(78.8)m

Pre-exceptional gross margin[1]
6.4%
FY23: 3.3%

Net cash[1]
£278.5m
FY23: £286.3m

Net assets
£201.0m
FY23: £199.0m

Operational performance highlights

Order book[2]
£10.8bn
FY23: £10.0bn

Accident frequency rate[3]
0.16
FY23: 0.13

Customer satisfaction
76.4%
FY23: 74.6%

Emissions intensity (tCO_2e/£m Group revenue)[4]
275
FY23: 284

1. See notes 4 and 30 to the financial statements.
2. Order book represents the value of work outstanding on secured, anticipated, and preferred bidder contracts on a managed revenue basis.
3. FY23 data has been restated from 0.12 to 0.13 to align data from Australia with UK RIDDOR classification.
4. Scope 1 and 2 KPI replaced with emissions intensity KPI to better represent the Group's total carbon footprint.

Hinkley Point C – Somerset, UK

Hinkley Point C (HPC) is one of the largest and most complex construction projects in Europe. When complete, the new generation nuclear power station will provide zero-carbon electricity to six million UK homes.

Laing O'Rourke, in partnership with Bouygues TP (BYLOR), is delivering the main civil engineering works at HPC for customer EDF Energy.

The 245-tonne steel dome for HPC's first reactor building was successfully lifted into place in December 2023, closing the roof on the structure. The major milestone enables the first nuclear reactor to be installed from 2024.

ENGINEERING A BETTER FUTURE

Our story is one of energy, ambition, and teamwork. We harness the power of our experience, stretching back over a century and a half, to deliver certainty for our customers.

Deliver 2025

Laing O'Rourke is a vertically integrated engineering, construction, and manufacturing enterprise that delivers large-scale infrastructure and buildings in the UK, the Middle East, and Australia.

Our Deliver 2025 mission was initiated in 2017 to address global infrastructure challenges and opportunities. We remain committed to achieving its underlying goal. Principally, that is to dramatically improve productivity in our business and sector to the equivalent of highly productive industries like automotive and aerospace.

Our purpose and values

Laing O'Rourke's purpose is pushing the boundaries of what's possible, in service of humanity, with care, integrity, and courage.

Over the coming decades, our industry – in particular our workforce – will be called on to rise to a once in a generation challenge. It must respond to the urgent need to decarbonise our economy, upgrade our infrastructure, build much needed housing, hospitals, and research facilities, and provide the data centres and networks which will unleash the potential of artificial intelligence.

This makes living up to the ambition of our purpose and values more important than ever. It demands industry transformation. Laing O'Rourke has long been investing in, and calling for, increasingly innovative and productive processes, policies, and technologies.

Our strategy remains to work with customers who are developing assets in our priority sectors in a sustainable way. We are focused on those most critical to humanity, and where our operating model can deliver the greatest value.

We will continue to invest and advance four key pillars which support our strategy.

1. People

Our people are our primary asset. We aim to:

- Recruit and develop the best knowledge workers in our industry from a diverse field of professional disciplines;
- Bring in talented individuals from parallel industries to learn from, and adapt their experience to ours; and
- Rethink and redesign construction so our culture and jobs are attractive to a diverse cohort of people.

Our vertically integrated, direct delivery model, where we employ and train those who are at the front-line of our industry, gives us a unique ability to transform job roles and move from a model of trades to technicians.

2. Technology and innovation

We harness the unique understanding of construction that our vertically integrated, direct delivery model affords us by:

- Identifying, inventing, and deploying new products and materials that are more sustainable; and
- Investing in AI, digitally enabled tools, software, and systems that reduce delivery risk, and enhance productivity and safety.

We accelerate the construction and commissioning of new infrastructure and buildings and make assembly faster, safer, and more sustainable, boosting the benefits these assets ultimately provide to the lives and security of the communities and nations they serve.

We establish strategic partnerships with leading businesses and academic institutions from parallel industries to foster cross-industry collaboration, knowledge sharing, and research and development.

3. Manufacturing

We continue to invest in our existing manufacturing capability in the UK, underpinning how we deliver improved certainty to our customers through Design for Manufacture and Assembly solutions.

We are preparing to make new investments in advanced manufacturing to transform the delivery of major infrastructure in our existing core markets.

4. Our unique operating model

We deliver the maximum value for our customers from our vertically integrated, direct delivery model, by improving coordination across our Specialist Trading Business Group and investing in their internal and external growth opportunities.

We bring to market innovative and collaborative new business offerings and delivery models that better manage risk and reward and make our industry a more investible proposition.

GROUP CHAIR'S STATEMENT

It is with great sadness that I must begin this statement by paying tribute to Des O'Rourke, our Deputy Chair, who passed away on 17 July 2024 after a short illness. Des played a key role in the growth and success of Laing O'Rourke and became a friend and colleague to me and many others. He was a man of integrity and was hugely respected by our employees, by clients, and across the industry. He will be sorely missed by everyone who knew and loved him.

I have long admired the resilience of Laing O'Rourke and its people. A year after posting a substantial loss, I am reminded of it again as we confirm the Group has returned to profit.

This recovery has been achieved despite ongoing market turbulence. While inflationary pressures have eased, they have not gone away. In both of our main markets we have governments reconciling the need for new infrastructure with finite public finances, and determining how best to attract private-sector investment.

This makes our FY24 recovery more impressive and in FY25 we have in place the right strategy, refreshed leadership, and a new organisational structure to keep building certainty and resilience.

The FY24 trading period saw continued growth, with a pre-exceptional EBIT of £75.6m (FY23: loss of £(78.8)m). Group FY24 post-exceptional EBIT is £40.0m, compared to a loss of £(273.9)m in the prior year. This improved performance was driven by a refreshed and strategic approach to work winning, gross margin recovery, and tight control of overhead spending.

In Europe, following an FY23 pre-exceptional EBIT loss of £(148.6)m, the Hub has delivered a pre-exceptional EBIT of £68.4m.

In the UK, we are focused on clients who understand and value Laing O'Rourke's unique operating model.

The Australia Hub, which delivered an outstanding pre-exceptional performance in FY23, had a strong year. In FY24, its pre-exceptional EBIT was £51.0m (FY23: £90.9m), with post-exceptional EBIT of £41.9m (FY23: loss of £(101.8)m). This reflects a year-on-year decline in gross margin due to the current portfolio of projects, and our commitment to strategic investments in digital and data capabilities.

Environmental, social, and governance (ESG)

We are making strong progress on all aspects of ESG. We are creating a more diverse and inclusive business. In Australia, through our Stretch Reconciliation Action Plan, we are proudly leading positive change in construction in the way we engage with Indigenous people, businesses, and communities. We engaged with 142 First Nation businesses, spending AUD$111m with Indigenous businesses.

In the UK, for the second consecutive year we performed ahead of target, generating £306m of social value through project delivery. We created almost 2,000 new jobs and spent £160m with local suppliers and £37m with SMEs. This work supports our purpose and is highly motivating for our people, who are committed to making a positive difference.

Our work towards net zero also continues. In FY24, we became the first UK constructor to commit to using low carbon concrete on all new projects. Our Australian business developed minimum standards for low carbon concrete. In FY24, we developed science-based targets for carbon reduction, currently awaiting validation by the Science Based Targets initiative (SBTi). They include a near-term (2030) reduction target for Scope 3 emissions.

Outlook

We have many reasons to be optimistic about the future, with our FY24 pre-exceptional Group revenue up 17.6 per cent versus prior year to £4.0bn (FY23: £3.4bn), and another record order book of £10.8bn (FY23: £10.0bn). Demand for our skills and expertise remains strong, with governments in both hubs committed to investing in infrastructure to sustain jobs, spur growth, and ensure progress towards net zero. In the UK, during FY24, we were appointed to deliver new hospitals for the NHS and were also recently appointed as construction partner for the National Grid's Great Grid Partnership programme. In Australia, the order book has been replenished with projects in our priority sectors of defence, rail, and road.

Leadership

In July 2024 our Group Chief Executive Officer, Ray O'Rourke KBE, stepped down. He will continue to serve the Group Board as Deputy Chair and will chair the Board Nomination and Remuneration Committees. This is a key transitional milestone for Laing O'Rourke as we move into a new era of leadership. I am delighted the Board appointed Cathal O'Rourke as the new Group Chief Executive Officer. Cathal has a degree in civil engineering, led the successful transformation of our business in Australia, and has established himself as a highly respected leader in the industry. He has led change across the sector, having been instrumental in the adoption of collaborative contracting while serving as President of the Australian Constructors' Association.

I know Ray is delighted to hand over the reins to his son. As Ray stands down, we salute his entrepreneurial and leadership skills, which have made us the company we are today and established our reputation. His drive, curiosity, and commitment to developing people have been vital to the creation of a unique operating model our clients understand and value. We are fortunate to have continued access to his unrivalled expertise.

Sir John Parker GBE FREng
Group Chair

GROUP CHIEF EXECUTIVE'S REVIEW

As I reflect on FY24, I feel a strong sense of pride and gratitude towards our people, our customers, and our delivery partners. The Laing O'Rourke Group accounts for FY24 confirm a return to profit. This provides stability and a platform from which we can continue to build certainty and resilience into the business, as a stepping-stone to long-term sustainable growth.

I am proud because I understand how much work it has taken, and I feel gratitude because the response from our people has been humbling to witness. We are grateful to them all.

As I think about the contribution of our people, I also remember Michael Jones and Amarpreet Bhatti and their families. Michael and Amarpreet tragically lost their lives in 2023 in incidents on two of our projects. Their deaths have changed lives forever, and made us resolve to understand what happened, and to learn from it.

Driving transformation

There remains much for us to do to unlock the full potential of our business and to transform the industry. We have made tremendous progress and have invested to develop a unique, manufacturing-led approach to construction that improves quality, programme, safety, and sustainability outcomes.

Through technology and innovation, there is much more we can do to increase productivity, achieve better outcomes for our customers and other stakeholders, and to create better ways of working.

We are committed to collaborating with others to make this happen. We are also committed to helping private customers and governments in the UK and Australia deliver the infrastructure needed to keep their countries secure, to support the energy transition, and to protect the health and quality of life of their citizens.

But it is not just constructors who must change. The benefits of modern methods of construction can only be fully realised if we also have modern methods of procurement and contracting.

In the UK in particular, we encourage the new government to work with us to ensure we have a productive and successful domestic construction sector. Our sector delivers amazing projects that are of strategic national importance but has historically operated on average margins of 2.5 to 3 per cent. This is not sustainable and acts as a significant handbrake on the sector's ability to invest in the transformative technologies that will create step-change.

Technology and people

For many years, the sector has faced a skills shortage. Post Brexit in the UK, this problem has become more acute. It is also an issue in Australia. We must find a way to attract more people from a diverse range of backgrounds into what is a fascinating and purposeful industry.

The solution, or a significant part of it, lies in the vision we have advanced for decades – embracing technology to develop a manufacturing-led approach to construction.

Financial results and outlook

I am pleased that in FY24 we delivered a much-improved financial performance. Pre-exceptional Group revenue increased by 17.6 per cent to £4.0bn (FY23: £3.4bn), reflecting an increase of 15.2 per cent in the Europe Hub and 23.7 per cent in the Australia Hub. This has resulted in the Group returning to profit, despite inflationary pressures and uncertainty in both our main operating markets. Group pre-exceptional EBIT was £75.6m (FY23: loss of £(78.8)m) and Group post-exceptional EBIT was £40.0m (FY23: loss of £(273.9)m).

The historical contract dispute that we made provision for in FY23 remains in arbitration and we expect it to be settled from mid-2025. FY24's post-exceptional EBIT reflects a movement in the claim provision of £1.8m and associated legal costs of £6.6m. The Group ended the year with a strong net cash position of £278.5m (FY23: £286.3m).

Throughout FY24, as we seek to build certainty and resilience, we are focusing on six priority sectors in the Europe Hub: healthcare, nuclear and green energy, rail, defence, science and research, and data centres. In Australia we remain focused on defence, rail and road infrastructure, energy, and water, and are focusing how best to bring our unique skills to the country's climate challenge. It is extremely pleasing that we continue to win work in our priority sectors in both hubs. As such, we are making progress to de-risk our portfolio.

Looking further forward, we are encouraged by the continued growth of the Group order book. It stood at a record level of £10.8bn at 31 March 2024 (FY23: £10.0bn). The Executive teams in both hubs are prioritising the conversion of this pipeline into secured work, to ensure we deliver our business plans in FY25 and beyond.

Leadership and the future

I take over at a key moment in the evolution of our family business following the passing of my uncle, Des O'Rourke. Des was not only a much loved member of our family, he was also admired within our business and across the construction industry. The many messages we received following his death have been a powerful reminder of that, and very moving to read.

I am honoured to be trusted with the leadership of our business and our people, and I am committed to continuing to work with our customers, delivery partners, and all other stakeholders to lead positive change.

I firmly believe that together we can accelerate our mission to transform construction into a technology enabled, highly productive sector – one which makes an even larger contribution to job creation, GDP, and economic growth.

Cathal O'Rourke
Group Chief Executive

Central Station Metro – Sydney, Australia

Laing O'Rourke completed the AUD$955m Sydney Metro upgrades to transform Australia's busiest railway station.

Our unique, top-down approach to the construction programme resulted in significant savings in cost, time, and materials, including a 30 per cent reduction in the original concrete requirements.

We maintained live station operations throughout construction using innovative solutions, including offsite manufacturing.

AUD$20m has been invested in Aboriginal Participation throughout the duration of the project to date, significantly exceeding the contractual target.

OPERATING REVIEW

During FY24, Laing O'Rourke delivered £4.8bn of pre-exceptional managed revenue via our Europe and Australia Hubs across priority sectors (FY23: £4.0bn), and ended the financial year with a strong £10.8bn order book (FY23: £10.0bn).

Our teams are providing vital energy and water infrastructure, transport that connects communities, defence and justice estates, and data centres. They are designing and constructing science, research, and healthcare facilities.

We are deeply involved in delivering buildings and infrastructure that serve society.

Through a focus on delivering projects with certainty and building resilience, we returned the business to a profit during FY24. However, inflationary pressures and delays to capital investment in the UK continued to impact the pre-exceptional results of our Europe Hub.

While we remain cautiously optimistic and encouraged by the speed and strength of our recovery, we are alert to ongoing global and political turbulence.

Operating review – Europe Hub

Despite ongoing market challenges, the Europe Hub (which includes our businesses in the UK, the Middle East, and Canada) remained focused on project delivery and winning new work across priority sectors.

Several new projects were secured within our priority sectors of healthcare, science and research, rail, defence, nuclear and green energy, and data centres.

During the year, we signed pre-construction services agreements to deliver new hospitals in the UK, positioning us as a leading healthcare delivery partner and an enabler of the NHS to provide more care for the people of the UK.

In January, we made a return to the defence sector by securing new work as part of the Ministry of Defence's strategic alliance, delivering improved training facilities at Alexander Barracks for army personnel.

Our Crown House Technologies business was awarded its fourth prison project, the second phase of HMP Fosse Way in Leicester. The team, as part of the New Prisons Programme alliance, will design and build the mechanical, electrical, and plumbing of the prison, which will hold an additional 240 prisoners.

In Oxford we signed a contract to deliver phase 1a of Oxford North's innovation district. This is in addition to the Stephen A. Schwarzman Centre for the Humanities, a project we are delivering for the University of Oxford, and the work we are undertaking as part of a pre-construction services agreement for the Ellison Institute of Technology. The three projects give us a significant presence in the city. In November, we moved from a pre-construction services agreement to signing the main contract for repeat customer Berkeley St James, to deliver phase 1 of the £70m infrastructure upgrade at Milton Keynes East.

Our experienced project delivery teams continued to hit key milestones and make good progress on live projects. In March, our team, in alliance with VolkerRail, Atkins, and Network Rail, completed the East West Rail project, connecting Oxford with Bletchley for the first time in 50 years. The main contract for the new Everton Stadium in Merseyside continued. In March, the barrel-clad roof, made up of 872 eye-catching aluminium panels, was installed. The project is due for completion towards the end of 2024.

At Hinkley Point C, alongside project partner Bouygues TP, our BYLOR team continued to hit key milestones for customer EDF Energy. In December, we lifted the 245-tonne steel dome for the first reactor building successfully into place, allowing the first nuclear reactor to be installed from 2024. The power station's two nuclear reactors will provide reliable, zero-carbon electricity for six million homes, boosting Britain's energy security for decades to come.

Further recognising our nuclear sector credentials, we made significant progress with a number of customers to support preparation and planning for the deployment of small modular reactors (SMRs) in the UK, helping deliver green energy.

Our team, in partnership with Ferrovial, made excellent progress during the year at London's super-sewer, the new Thames Tideway Tunnel. In November, Cremorne Wharf, the first of eight projects that make up the central section, was successfully handed over. The remaining sites are due to complete during 2024.

In October, we made great strides towards our sustainability target, to be operationally net zero by 2030 and a fully net zero company before 2050, by launching our decarbonisation strategy. It outlines our approach to carbon reduction in the UK.

We also developed and launched carbon measurement guidance, which bridges the gap between corporate reporting and project-level reporting, and ensures a consistent approach across all projects. This is a formative step in our sustainability journey, providing the baseline for measurement of progress towards science-based targets.

In FY24, we exceeded our annual social value target, delivering £306m. This was achieved through a focus on bringing our philosophy of person-centric social value to life, ensuring the work we do provides lasting value for people within the communities in which we operate. Further information regarding our sustainability achievements can be read on pages 12 to 17.

Operating review – Australia Hub

In FY24, the Australia Hub delivered another year of exceptional performance, outpacing strategic and financial goals, and continuing to provide our people with careers which are both rewarding and challenging.

The business is well positioned to deliver long-term, sustainable growth.

The Hub posted a strong pre-exceptional Group revenue performance of AUD$2.8bn (FY23: AUD$2.1bn) and a pre-exceptional EBIT of AUD$100.0m (FY23: AUD$160.8m).

A continued focus on securing quality projects and programmes in priority sectors has resulted in an order book of AUD$6.2bn, one of our largest to date, with more than 90 per cent of FY25 budgeted revenue secured before the beginning of the new financial year. Importantly, 95 per cent of this is in a lower risk, collaborative contract format, in partnership with government customers.

These results mark the fifth consecutive year that the Hub has delivered a pre-exceptional operating profit ahead of budget. The performance provides confidence to invest in growth and diversification, and improves our competitive position in the market.

In Australia, Laing O'Rourke has a demonstrated track record of delivering some of the country's most complex infrastructure projects. In FY24, the organisation was once again called upon to play an important role on one of the nation's largest projects, the city-shaping Eastern Freeway Upgrades in Victoria.

This builds on our work on Victoria's Level Crossing Removal Project as part of the South Eastern Program Alliance, where we have now completed a total of 10 grade separations, reducing congestion and improving safety for the community.

Also in Victoria, we completed the state's first network arch bridge in a rail-over-road configuration. The bridge was moved transversely into its permanent location over a week, to minimise disruption.

In New South Wales, where we continue to be a government partner of choice, our Transport Access Program team was awarded the contract for a new footbridge at St Marys Station, part of the Sydney Metro – Western Sydney Airport mega-project.

In Queensland, we were awarded four rail infrastructure projects as part of Queensland Rail's Station Accessibility Upgrade Program, demonstrating the application of our digital kit of parts approach for the first time.

In Western Australia, significant progress was made in the reporting period on our two METRONET projects in Perth – the Morley to Ellenbrook Line and Byford Rail Extension.

The Morley to Ellenbrook Line will provide 21km of new rail and deliver five new stations, as well as planning for the areas around the stations.

The Byford Rail Extension consists of 8km of new rail line and two stations, including a new elevated station at Armadale, passing through the town centre and eliminating three level crossings.

Still in Perth, early works have commenced on Swan River Crossings, an Australian first extradosed bridge in Fremantle. Laing O'Rourke's Rail Operations business was also awarded a key contract by the CBH Group to deliver the Cranbrook Rail Outloading Project.

Our commitment to the country's defence agenda continued with the completion of the strategically significant Australia-Singapore Military Training Initiative in Far North Queensland. We delivered critical upgrades to the base and marine infrastructure within the Larrakeyah Defence Precinct, while also progressing planning works for the Darwin Royal Australian Air Force base in the Northern Territory.

We were also proud to announce the opening of a new Laing O'Rourke office in Canberra.

We celebrated several successful project completions, including Thomas Road Over Rail in Western Australia, Sydney's iconic Central Station Metro upgrade – the jewel in the crown of the Sydney Metro, Sydney's Redfern Station Upgrade, and four Transport Access Program stations in Sydney.

The Hub also demonstrated the strength and effectiveness of its succession planning with Mark Dimmock, a director since 2015 and Director, Clients & Markets since 2018, appointed to the role of Acting Managing Director, while Managing Director Rebecca Hanley initially took parental leave, and then, from July 2024, took up her new interim role as Group Director, Strategic Programmes.

Annabel Crookes, Director, Legal, Risk, and Delivery, continued to drive our industry influence agenda in her role as President of the Australian Constructors Association and on the New South Wales Skills Board.

During FY24, we became the first construction company in Australia to introduce a maximum tolerance for embodied emissions in concrete purchased directly or through subcontractors. This offers a cap on carbon emissions from concrete across all projects.

On social value, the business has a proud history of supporting First Nations businesses and communities in Australia. FY24 marked the launch of the Stretch Reconciliation Action Plan. We celebrated the engagement of 142 First Nations businesses in the supply chain, spending AUD$111m. As of March 2024, 2.1 per cent of our employees identified as being Aboriginal or Torres Strait Islander Peoples.

SUSTAINABILITY STATEMENT

FY24 saw Laing O'Rourke continue to deepen our sustainability strategy and commitments as a business. It has been a year in which we have maintained considerable ambition and progress, including the publication of our Group-wide standalone Sustainability Report.

We've been on a significant cultural and learning journey since we first set our sustainability targets in 2021, acknowledging some uncomfortable truths about the role our company and industry play in contributing negatively to the environment, and the steps we can take to better serve society. They are not easy challenges, but are necessary for us to address.

I am proud of the openness and willingness I have witnessed from those within our company to recognise and take on these challenges.

Tackling the carbon challenge

When we began this journey in 2021, we developed a roadmap of abatement projects focused on tackling Scope 1 and Scope 2 emissions. We also put in place a dedicated programme to build our Scope 3 dataset.

Our maturity journey FY21 – FY24

	FY21	FY22	FY23	FY24
For our clients	Concrete decarbonisation programme begins with first ribbed slabs and frame prototypes	New carbon calculator launched, supporting carbon assessment at bid/technical design stage	Carbon calculation methodologies matured and embedded within standard practices	Carbon measurement guidance published, bridging the gap between project- and corporate-level reporting Ongoing research/trials into carbon efficient materials and designs
For the environment	Targets set: - Operationally net zero by 2030 (Scope 1 and 2) - Fully net zero before 2050	Scope 1, 2, and 3 Data Maturity Plans started Scope 1 and 2 first abatement projects, including UK mandate to replace diesel with HVO Carbon intensity and waste targets linked to financial incentives	Externally verified emissions reports aligned with GHG protocol across full Scope 1, 2, and 3 UK low carbon concrete mandate introduced Nature impact of sites and projects mapped	Science-based targets submitted for validation, with new near-term target for Scope 3 Minimum standards introduced for fuel efficiency and lower carbon concrete (Australia)
For society		UK social value commitment introduced: Enrich the lives of two million people and create £2bn of social value by 2030	Australia social spend target introduced: AUD$800m by 2030	Stretch Reconciliation Action Plan launched (Australia)
For our people	Target set: 50/50 gender parity across our global staff by 2033	First Contractor with Level 3 Disability Confident Leader (UK) Employer of Choice for Gender Equality (Australia) Gender target set to financial incentives	Industry-leading parenthood policy launched (UK) Parental leave coaching launched (Australia)	Group gender diversity strategy launched Female mentoring and sponsorship programmes initiated Gender parity in graduate programmes (Australia)
Governance	Board governance structure established	CDP submission First partial TCFD disclosure	CDP submission Full TCFD disclosure Commitment to develop SBTs Standalone Sustainability Report published	CDP submission NFSIS to be published in Laing O'Rourke Plc Annual Report and Accounts Submission of SBTs Monthly executive sessions focused on sustainability (Eur)

As we have put our plans into practice, we have a more detailed understanding of what the carbon reduction roadmap looks like. We have dedicated significant resources into developing emissions data to inform our decision-making, and our carbon data is becoming more complete. Our FY23 and FY24 numbers now include previously unavailable emissions data from our Middle East business for Scope 1, 2, and 3.

We know there are limitations to our original plans. However, even as markets haven't always moved in the way we expected, we have a better understanding of available levers.

We experienced an upturn in operational activity during FY24 compared with the previous year, which has led to an overall increase in emissions, from 960,029 tCO_2e in FY23 to 1,115,144 tCO_2e in FY24. Our emissions intensity has reduced year on year, from 284 tCO_2e/£m Group revenue in FY23 to 275 tCO_2e/£m Group revenue in FY24. While it's reassuring to see the impact of our actions realised in a reduction in intensity, we recognise the need to take decisive action to reverse the absolute increase. We are determined in our commitment to achieving net zero, and in achieving significant carbon reductions in the near term.

Armed with better insight, we have introduced more stringent commitments and accountability across our business. We have also begun to introduce carbon budgeting, which will inform the carbon impact of our decisions up front and enable more accurate forecasting.

We have updated our carbon reduction goals aligned with science-based targets. Scope 3 emissions represent more than 96 per cent of our carbon footprint, prompting us to introduce a near-term, 2030 target for Scope 3 reduction.

Taking a holistic view

While net zero is the most prominent subject of discussion within our sector, when it comes to sustainability our accountability is much broader.

Our work has a significant impact on the natural world. We have a responsibility at a project level to protect nature and improve biodiversity. We must look more widely at the impact our work has on the natural environment and on resources.

We can't achieve net zero and halt biodiversity loss using today's materials, processes, and approaches. And so, we must take an active role in transforming our industry.

We're working more closely than ever with supply chain partners, research institutes, industry bodies, government, and peers, to drive new thinking and practices that are essential to industry transformation.

The nature of our work means we are privileged to work within many communities. We're passionate about leaving a positive legacy in those communities, providing opportunities for local people, investing in the local economy, and enriching lives. While we transition to a lower carbon sector, it's vital that we do so in a way that enables diverse individuals and communities to thrive.

I'm proud of the action we're taking in our two operating hubs to make a tangible difference. For the second consecutive year, we are delivering well beyond our annual targets, having introduced £306m of social value in FY24 in the UK, and AUD$116m in Australia, calculated using specialist social impact software from Thrive in the UK and from certified data from Social Traders in Australia.

While it's easy to quote metrics, underpinning these numbers is a genuine support for individuals and communities, delivered by people in our business who have a passionate sense of purpose and pride in their contribution.

Making a positive contribution

Supporting a just transition isn't only about scrutinising the way we go to work. We're also active in constructing the buildings and infrastructure that are crucial to that future, in turn building resilience into our own business strategy.

We're proud to be playing a part in electrification of energy and transport, in the phasing out of fossil fuels, and in projects that deliver environmental and societal improvements.

Our unique operating model combines areas of industry-leading expertise, including excellence in engineering, use of digital technologies, innovation, and modern methods of construction.

We're bringing together the brightest minds and pioneering technologies to help transform our sector and deliver a more sustainable future.

Madeleina Loughrey-Grant
Group Director, Legal, Procurement (EU), and Sustainability

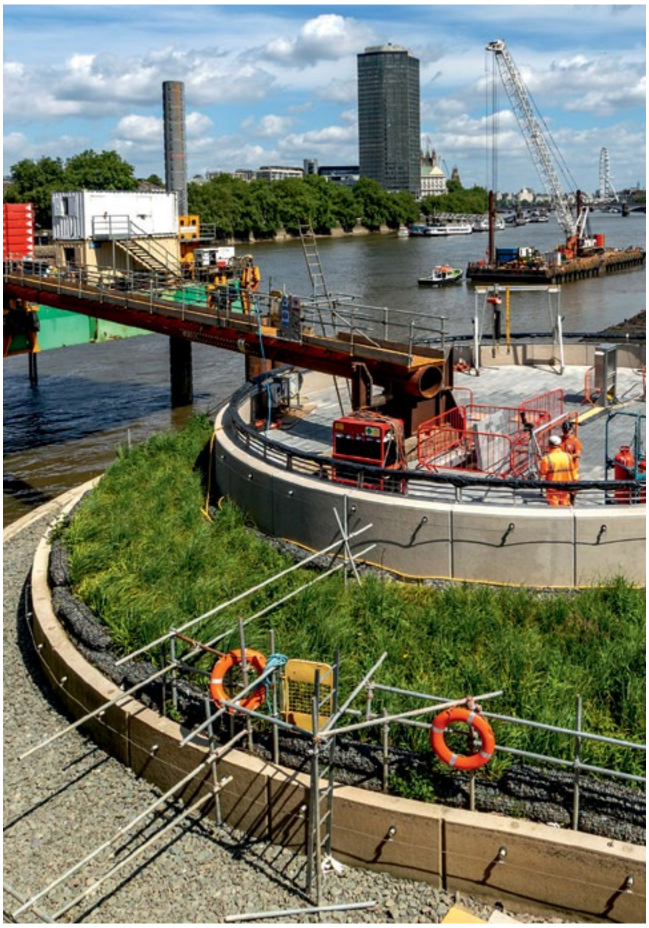


Image: London's River Thames has been used to transport and store materials for the Tideway project, minimising disruption in the city. Tidal planting has been integrated into the new river wall terracing

Sustainability governance

As our business continues to build certainty and resilience into its strategy and operating model, the assessment and provision for climate-related risks and opportunities remains critical to our plans.

Severe weather events are becoming an increasing feature of our environment. Given the potential financial impact of physical damage and severe project delays, the rating of our principal risk related to climate change and sustainability has been increased during the year. We continue to monitor and report our climate-related risks, taking steps to mitigate them. At the same time, we also identify climate-related opportunities that help to inform our business strategy.

Already we're seeing our business successfully access green transition projects. We're proud to be a part of the long-term movement to decarbonise the energy and transport sectors. We recognise the important contribution that modern, innovative methods of construction play in that transition, and the expertise we bring in introducing those methods.

Maintaining a sharp focus on sustainability remains vital to our commercial success from a work-winning perspective. Our solutions and ingenuity support our customers' sustainability ambitions, enabling us to operate as true partners with a common goal.

One of the ways in which we endeavour to maintain best practice is through external disclosure mechanisms, including CDP (formerly known as Carbon Disclosure Project), Streamlined Energy and Carbon Reporting (SECR) in the UK, and through publicly reporting our greenhouse gas emissions.

The rigour of these disclosure frameworks is helpful in assisting us to identify areas for improvement. We hope to increase our scores in FY25, based on the actions we're taking as a business.

FY24 has seen us take our ambitions further and develop science-based targets, which have been submitted to the Science Based Targets initiative (SBTi) for validation. The targets build on our original 2030 targets for reduction of direct (Scope 1 and 2) emissions, introducing an additional Scope 3 reduction target for 2030. This is in recognition of the significant weighting towards Scope 3 emissions for our business and the need to take urgent, targeted action to tackle them.

While these new targets are challenging, they are also necessary to drive transformational change in our business and industry. They will require collaboration with partners across our supply chain, our peers, academia, government, and wider industry. They demand new and innovative approaches that challenge the status quo, as well as true systems thinking.

Our targets are supported by detailed delivery plans that are already in flight. Progress will be reported each year within our Annual Report and Accounts and our standalone Sustainability Report.

Rowan Baker
Group Chief Financial Officer

Image: Living wall at Baker Street – London, UK

Climate-related disclosures

Our FY23 Annual Report contained our first complete disclosure against the Task Force on Climate-related Financial Disclosures (TCFD) framework. It set out the progress the business had made to date, along with the intended gap closures identified to help better protect business resilience against climate-related events and market changes, while optimising climate-related opportunities.

This report builds on that TCFD statement, describing the progress we've made during the year and the steps we're taking to manage the risks and opportunities related to climate change. Detailed information related to our identified risks and opportunities will be published within our Laing O'Rourke Plc Annual Report and Accounts, as well as our standalone Sustainability Report, which will be published later this year.

Pillar	Theme	Summary of progress, status, and next steps
Governance	Governance arrangements for assessing and managing climate-related risks and opportunities	A clear governance structure has been established that enables climate-related risks and opportunities to be assessed, communicated, and managed at all levels of the organisation and across operating hubs. At Board level, our quarterly Sustainability Committee and Audit and Risk Committee provide the right environment for Group-wide strategic discussion and direction. Group and regional executive committees are accountable for translating strategic direction into action, ensuring risks and opportunities are acted upon, and embedded into functional processes. Taking a bottom-up perspective, pockets of excellence have been identified at project level for identifying – and taking action on – near-term, climate-related risks, with quantification in terms of programme delays and impact to projects, hence affecting commercial performance. Work is underway to formalise this process into a consistent approach.
	Process for identifying, assessing, and managing climate-related risks and opportunities	A substantial piece of work was completed during FY23 on climate scenario analysis. This work was used to identify climate-related risks and opportunities, to assess them, and assign likelihood and impact metrics. Given the breadth, depth, and recency of this work, it was not deemed necessary to repeat the exercise in FY24. A monthly cross-functional operational committee is being established to provide continued focus on managing these risks and opportunities, establishing consistent processes for financial quantification, as well as identifying any changes that require action. The committee will be chaired by finance, with representation from commercial, planning, estimating, legal, and sustainability functions. It is intended to provide a consistent approach, providing a mechanism for quantifying and embedding climate-related risks and opportunities into business-as-usual processes.
Strategy	Processes for integrating climate-related risks and opportunities into the Group's overall risk management process	Climate-related risks have been assessed using the same framework, criteria, and methodology as all other Group risks. These are documented within our central risk register and presented at our Audit and Risk Committee. This information feeds through into regional functional review processes. A gap has been identified between corporate-level, climate-related risk identification and quantification, and project-level reporting. Addressing this gap will support our ability to deliver consistency. As such, this will be a priority action for our operational committee during FY25.
	Principal climate-related risks and opportunities identified in relation to the Group's operations, and associated time horizons	Our overarching climate principal risk has been reviewed and upgraded this year, based on the impact to operations that our business has experienced in the last 12 months, related to flooding, high winds, and wildfire, as well as changing insurance conditions. At a more detailed level, climate-related risks and opportunities have all been reviewed against a short- and long-term horizon. They continue to be reviewed within quarterly Board-level and operational committees.

Pillar	Theme	Summary of progress, status, and next steps
Risk management	The impact of climate-related risks and opportunities on the Group's business model and strategy	The focus so far has been on analysing climate-related risks and opportunities at a more senior, strategic level. As the organisation matures its sustainability journey, work is underway to develop a more consistent approach. Key actions taken during FY24 have been to: redefine our priority market sectors, taking into account the opportunities identified through climate scenario analysis; adjust planning provisions in light of the increased likelihood of extreme weather events; continue investment into technology and innovation to identify and deploy low carbon, transitional solutions, and reduce exposure to carbon costs; enter the retrofit market via our Crown House Technologies business in the UK; and focus on data centres in the UK and Middle East.
	Analysis of business resilience based on the climate-related risks and opportunities identified, based on scenarios	During FY25 we expect to further develop modelling to understand the impact of water scarcity, and the risk of wildfire, flooding, and high winds, on our operations and supply chain at a more detailed level.
Metrics and targets	Description of the targets used to manage climate-related risks and realise climate-related opportunities, and performance against those targets	The development of, and commitment to, science-based targets has provided a helpful mechanism to develop more granular carbon reduction targets. Our Executive team has accountability for carbon reduction, with an overall target of 5 per cent set for FY25. This represents a starting point from which further targets will be developed by business unit and function, as our carbon maturity develops. A substantial transformation programme underpins our science-based targets work, with monthly meetings that hold the business accountable for making progress. Key to this is the development of carbon budgeting, which will help to inform longer-term targets throughout the business. In addition to these executive-level carbon targets, our project-level sustainability targets have been expanded and strengthened, linking sustainability performance to project reward schemes. Using our expertise in offsite manufacture, we are developing innovative products and services tailored to our target sectors. In the UK we have made notable progress in developing a solution that drives benefit for the nuclear sector. Our innovation programme is designed to deliver attractive solutions and competitive edge long-term. This directly responds to the identified transitional risk of relying on existing materials and methodologies as the transition to a low carbon economy intensifies. Our work-winning strategy and targets for FY25 - FY27 align with lower risk sectors that are important to the low carbon transition and serve society. This strategy directly links to the transitional opportunity identified to participate in emerging markets as part of a low carbon economy.
	KPIs linked to climate-related risks and opportunities, and associated calculations	Carbon measurement guidance was developed and launched during FY24, bridging the gap between corporate- and project-level carbon reporting, and ensuring each part of our business is calculating and reporting carbon in a consistent manner. This will be formative in developing our carbon budgeting strategy and providing a means for tracking progress against our top-level KPI, as well as business unit-level KPIs, as they are introduced. Carbon literacy work continues throughout our business, with training provided to employees at all levels. This is an important aspect of cultural change and will support the adoption of carbon targets throughout our business. A transformation programme is in place to deliver our carbon reduction targets, linked to our identified reputational risk associated with failure to reach targets. Progress is reported to our Europe Hub Executive Committee monthly. This includes milestones for developing and implementing Scope 3 Category 1 carbon dashboards by FY26, embedding carbon forecasting into the bid evaluation process at the start of FY26, and investing in IT infrastructure to improve carbon data maturity during FY26.

Climate scenario analysis

Using the support of an external consultancy, a cross-functional, cross-hub, senior team completed an in-depth review and analysis of climate-related risks and opportunities during FY23 using two scenarios, which were chosen as they represent a plausible range of outcomes:

1. A **low carbon scenario** whereby global temperature increases remain close to 1.5 degrees Celsius and below two degrees Celsius. Here, there is a rapid transition towards clean energy and, as a company, we are exposed to higher transition risks, but fewer physical risks.
2. A **high carbon scenario** whereby global temperatures increase up to four degrees Celsius. Here, there is an increase in the use of fossil fuels and transition risks are lower, but there is a significant increase in physical risks.

Our short-term horizon is out to 2030. Our medium-term horizon is 2050, before which we intend to be fully net zero. Our long-term horizon goes beyond 2050, when physical risks will be more significant and will require us to make more fundamental changes to our operational approach.

Exposure modelling and vulnerability assessments were completed for selected key risks, including qualitative interviews with key individuals within our business. These experts are well-positioned to contribute their on-the-ground knowledge and experience in relation to the risks identified.

Full details explaining the way in which climate scenario analysis has informed the development and management of climate-related risks and opportunities will be published within our Laing O'Rourke Plc Annual Report and Accounts as well as our forthcoming standalone Sustainability Report.

Image: Investment in electric ovens to support large-scale, low carbon concrete, Centre of Excellence for Modern Construction – Steetley, UK

FINANCIAL REVIEW

I am pleased to present the financial review for Laing O'Rourke for the year ended 31 March 2024. The results for the year showed the Group returning to profit and continued growth in revenue, delivering a pre-exceptional EBIT of £75.6m (FY23: loss of £(78.8)m), driven by volume growth and gross margin recovery, coupled with tight control of overheads.

Group financial summary FY21 – FY24

	FY24 (£m)	FY23 (£m)	FY22 (£m)	FY21 (£m)
Pre-exceptional Group revenue[1]	**3,989.6**	3,374.3	2,965.5	2,510.7
Pre-exceptional gross profit[2]	**254.2**	109.9	282.3	236.5
Pre-exceptional gross profit % (gross margin)[2]	**6.4%**	3.3%	9.5%	9.4%
Pre-exceptional EBIT[3]	**75.6**	(78.8)	95.5	76.0
Post-exceptional EBIT	**40.0**	(273.9)	19.8	69.9
Profit/(loss) before tax	**18.1**	(288.1)	2.7	41.4
Profit/(loss) after tax	**7.6**	(196.5)	11.5	28.4
Net cash (note 36)	**278.5**	286.3	339.1	276.1
Net assets	**201.0**	199.0	404.8	325.1

1. Pre-exceptional Group revenue stated before deduction of an exceptional item of £nil (FY23: £33.3m).
2. Pre-exceptional gross profit and gross margin are stated before deduction of exceptional items of £24.4m (FY23: £177.0m).
3. Pre-exceptional EBIT is stated before deduction of exceptional items of £35.6m (FY23: £195.1m).

The key financial results are summarised below:

- The Group has returned to profit despite ongoing challenges and global turbulence, resulting in a pre-exceptional EBIT of £75.6m (FY23: loss of £(78.8)m). The post-exceptional EBIT of £40.0m (FY23: loss of £(273.9)m) reflects the impact of a movement in the claim provision recognised in the Australia Hub in relation to a disputed contract of £1.8m (FY23: £143.7m). In addition, we incurred associated legal costs of £6.6m (FY23: £15.7m). It also reflects an increase to defects provisions related to fire safety regulations of £19.6m (FY23: £nil), closure costs of £2.0m (FY23: £nil) relating to the closure of two subsidiaries, and redundancy costs of £5.6m (FY23: £nil);
- The Group achieved a strong net cash performance and finished the year with net cash of £278.5m (FY23: £286.3m);
- Pre-exceptional Group revenue has increased by 17.6 per cent to £4.0bn (FY23: £3.4bn), reflecting an increase of 15.2 per cent in the Europe Hub and 23.7 per cent in the Australia Hub;
- The pre-exceptional gross margin has recovered to 6.4 per cent (FY23: 3.3 per cent) for the year ended 31 March 2024, driven by an easing in inflationary pressures and the prior year gross margin being impacted by challenging delivery on projects experiencing significant change. The impact of inflation remains under continuous review and continues to be carefully managed and mitigated, wherever possible;
- Net assets have increased to £201.0m (FY23: £199.0m), reflecting the profitability of the Group net of the exchange differences on translating foreign operations; and
- At the year end, the Group had an order book of £10.8bn (FY23: £10.0bn), which represents approximately three years' revenue (order book is defined as the value of work outstanding on secured, anticipated, and preferred bidder contracts). One of our key areas of focus remains converting our pipeline to secured work, which stood at £6.3bn (58.3 per cent of total order book) at the year end (FY23: £6.5bn and 65.0 per cent of total order book). This will remain a key priority during FY25.

The Group results are made up of the two operating hubs and a corporate centre – a full breakdown of key metrics between the two hubs and the corporate centre can be found in note 4 to the financial statements.

Europe Hub financial summary

	FY24 (£m)	FY23 (£m)[1]
Group revenue	**2,508.2**	2,176.9
Gross profit/(loss)	**112.9**	(44.4)
Gross profit/(loss) % (gross margin)	**4.5%**	(2.0)%
Pre-exceptional EBIT[2]	**68.4**	(148.6)
Post-exceptional EBIT	**41.9**	(151.0)
Profit/(loss) before tax	**17.0**	(167.7)
Net cash	**15.4**	65.6

1. FY23 pre- and post-exceptional EBIT and profit/(loss) before tax have been restated. See note 4 to the financial statements for details.
2. Pre-exceptional EBIT is stated before deduction of exceptional items of £26.4m (FY23: £2.4m).

The Europe Hub (which includes the Group's operations in the UK, Middle East, and Canada) gross profit has increased by £157.3m, from a £(44.4)m loss back to profit of £112.9m. The increased gross margin year on year is driven by an easing in inflationary pressures and the prior year gross margin being impacted by challenging delivery on projects experiencing significant change.

The Group's share of cumulative losses in Canada remained unchanged at £219.3m.

The Europe Hub pre-exceptional EBIT returned to a profit of £68.4m (FY23: loss of (£148.6)m) driven by the improvement in gross margin as set out above together with tight control of overheads.

Australia Hub financial summary

	FY24 (£m)	FY23 (£m)
Pre-exceptional Group revenue[1]	**1,481.4**	1,197.4
Pre-exceptional gross profit[1]	**119.5**	153.8
Pre-exceptional gross profit % (gross margin)[1]	**8.1%**	12.8%
Pre-exceptional EBIT[2]	**51.0**	90.9
Post-exceptional EBIT	**41.9**	(101.8)
Profit/(loss) before tax	**40.4**	(101.7)
Net cash	**233.4**	201.5

1. Pre-exceptional Group revenue, pre-exceptional gross profit, and pre-exceptional gross margin are stated before deduction of exceptional items of £nil impacting revenue (FY23: £33.3m), and £1.8m impacting cost of sales (FY23: £143.7m).
2. Pre-exceptional EBIT is stated before deduction of exceptional items of £9.2m (FY23: £192.7m).

The Australia Hub pre-exceptional EBIT has decreased by £39.9m year on year, due to a less favourable mix of current project profitability which is driving a lower gross margin percentage of 8.1 per cent (FY23: 12.8 per cent), and strategic investment in digital and data to drive transformation. This was partially offset by tight control of overheads. The Australia Hub performance is underpinned by the favourable order book contract risk profile and collaborative contracting model, and a disciplined focus on priority sectors.

Exceptional items

The Board believes exceptional items should be separately disclosed on the face of the income statement to assist in understanding the underlying financial performance achieved by the Group. The Group's pre-exceptional EBIT is before incurring exceptional items of £35.6m (FY23: £195.1m).

In the Europe Hub, pre-tax exceptional costs of £26.4m were incurred relating to £19.6m of defects provisions due to fire safety regulations (FY23: £nil), £1.6m of closure costs (FY23: £nil) and £5.2m of redundancy costs (FY23: £nil).

In the Australia Hub, exceptional costs (before interest and tax) of £9.2m were incurred relating to £1.8m for a claim provision relating to a contract terminated in the 2017 financial year (FY23: £143.7m), £6.6m of legal costs (FY23: £15.7m), £0.4m of redundancy costs (FY23: £nil), and £0.4m of costs relating to the closure of a subsidiary (FY23: £nil).

Alternative performance measures (APMs)

The Group is disclosing as alternative performance measures within this report: pre-exceptional managed revenue, pre-exceptional Group revenue, pre-exceptional gross margin, pre-exceptional EBIT, and EBITDA pre- and post-exceptional items. The APMs are reconciled to statutory measures in note 4 and their definitions are summarised in note 30 to the financial statements. The directors consider that doing so clarifies the presentation of the financial statements and better reflects the internal management reporting. The directors also believe it is appropriate to separately disclose those items that are one-off, material, or non-recurring in size or nature.

Funding

The Group's net cash position (cash less debt but excluding bank arrangement fees and the impact of IFRS 16 Leases) remained at a similar level to the prior year at £278.5m as at 31 March 2024 (31 March 2023: £286.3m). The Group operates extensive controls over working capital and cash management, with proactive engagement of its financial stakeholders.

The Group complied with all its revolving credit facility (RCF) banking covenants during FY24 and did not require any waivers or relaxation of these covenants. During the year, the Group received a waiver for exceeding the loan-to-value covenant related to a property loan (resulting from a lower vacant possession valuation due to a change in market conditions since the original loan was entered into) which was subsequently cured. On 30 June 2023, the Group agreed a reset of its future RCF covenants and, in October 2023, the Group extended its unsecured RCF and property loan with HSBC to 3 April 2026. Further details are provided under the UK funding section on page 20. The covenants related to the credit facility are also detailed in note 29.4 to the financial statements.

The contracting model and financing environment faced by the Group in each of its territories is distinct, and thus the mixture of arrangements differs between them. As well as debt instruments, such as bank loans and overdrafts, the Group sometimes uses project-related bonding and guarantees to support its activities. These instruments are largely issued by insurance companies, but also by other financial institutions. The bonds are issued on behalf of contractors to their customers and provide compensation in certain circumstances, such as defined aspects of contractor under-performance. They can also be used to underwrite customer advances and relaxations of customer retentions.

Funding (continued)

These instruments are unsecured, but can convey significant rights to the issuers, similar to those conveyed to other financial institutions, e.g. fees, covenants, reporting requirements, and ranking in the event of financial distress.

Over the last seven years, the Group has sought to reduce its use of these instruments, predominantly in the UK. However, it is still common practice in Australia and the Middle East to provide such instruments, which have decreased by £74m in total in FY24.

Group bonds and guarantees

	FY24 (£m)	FY23 (£m)	FY22 (£m)	FY21 (£m)
Surety exposure	**282**	289	267	222
Bank exposure	**77**	144	100	141

UK funding

UK core debt

	FY24 (£m)	FY23 (£m)
RCF/term debt	**–**	–
Property loan	**13.0**	13.0
Other loans	**78.9**	86.7

The Group has in place an unsecured revolving credit facility with HSBC for £35.0m. The loan had an initial expiry date of 3 October 2023, which was extended to 3 April 2024 during FY23 and has been further extended to 3 April 2026 during FY24. As part of the latest extension, covenants related to interest cover and net debt to EBITDA were replaced by an adjusted EBITDA covenant, and the minimum liquidity covenant was amended to include three forecast month-end periods. The facility has been maintained at £35.0m through to 31 March 2025, at which point quarterly £2.5m reductions commence, reducing the facility to £25.0m by 31 December 2025.

The facility incentivises or penalises Laing O'Rourke, depending on its progress against the following key sustainability metrics: reducing carbon intensity, diverting waste from landfill, and growing the number of women in project delivery.

In addition to core borrowing arrangements, the UK business utilises hire purchase and asset financing to support the acquisition of plant and equipment.

UK bonds and guarantees

	FY24 (£m)	FY23 (£m)	FY22 (£m)	FY21 (£m)
Surety exposure	**58**	67	58	52
Bank exposure	**–**	–	–	40

In the UK, bonding and similar instruments were £58m at 31 March 2024 (FY23: £67m). The UK business has significantly reduced its exposure to such instruments in recent years.

Australia funding

AUD$39.8m was drawn under bank guarantee facilities at 31 March 2024 (FY23: AUD$38.2m). There are also surety bonding facilities, from which AUD$362.5m was drawn at 31 March 2024 (FY23: AUD$372.0m).

The Australian business utilises equipment finance facilities to support the acquisition of plant and equipment.

Middle East funding

The activity in the Middle East business is supported through access to bonding lines provided by local banks.

At 31 March 2024, the business had AED nil drawn on its overdraft (FY23: AED nil) and utilised AED294.5m of bonding (FY23: AED523.5m).

The overdraft facility is annually renewable, in line with business practice in the territory.

Significant asset acquisitions and disposals

On 4 August 2023, Explore Transport Limited acquired 70 per cent of the ordinary shares in Prigmore Haulage Limited.

The disposal of Laing O'Rourke Joinery LLC in the Middle East was completed on 31 May 2024. See note 13 to the financial statements for further detail.

Order book

The Group order book stood at a record level of £10.8bn at 31 March 2024 (FY23: £10.0bn). While this is a strong order book performance, the Group must continue to prioritise conversion of its pipeline to achieve its business plan. This will remain a key focus for the remainder of FY25.

We continue to target opportunities in priority sectors within each hub and with customers whose purpose and values are aligned with ours.

The Europe Hub order book has improved at 31 March 2024 to £7.6bn, compared with £6.7bn at 31 March 2023. We continue to work closely with the UK Government as a strategic supplier to deliver much-needed hospitals. New work has also been secured as part of the Ministry of Defence's strategic alliance and the New Prisons Programme Alliance. Work-winning across the data centre and nuclear and green energy priority sectors also significantly contributed to the order book performance.

In the Middle East we continue to target opportunities in Dubai and Abu Dhabi, where we have a permanent presence and a strong track record.

The Australia Hub order book has remained largely in line with the prior year with £3.2bn at 31 March 2024, compared with £3.3bn at 31 March 2023. The order book has been replenished with the award of various contracts in the Hub's priority sectors. Amongst them: the contract for a new footbridge at St Marys station, part of the Sydney Metro – Western Sydney Airport mega-project; four rail infrastructure projects as part of Queensland Rail's Station Accessibility Upgrade Program; and the award of a key contract by the CBH Group to deliver the Cranbrook Rail Outloading Project. The Australia Hub remains very well positioned to capitalise on ongoing investment in transport, infrastructure, and defence.

Tax

The Group takes its social and economic responsibilities seriously and pays the appropriate amount of tax in all countries where it operates.

The Group recorded a corporation tax charge of £10.5m in the year (FY23: credit of £91.6m) and the current tax payable at 31 March 2024 was £0.4m (FY23: £0.1m). See note 11 to the financial statements for full analysis of the tax charge.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

If insufficient information is available, no provision is made. These estimates take into account the specific circumstances of each dispute and relevant external advice, are inherently judgemental, and could change over time as each dispute progresses. At 31 March 2024, the Group had recognised provisions of £nil in respect of uncertain tax positions (FY23: £1.0m).

Factors affecting the tax charge in future years are set out in note 11 to the financial statements. On 1 April 2023, the UK corporation tax rate increased from 19 per cent to 25 per cent and therefore UK deferred tax assets and liabilities, previously recognised at 19 per cent, were recalculated at 25 per cent, resulting in a £15.4m credit during FY23. Of this, £6.5m arose due to a change in our utilisation of brought forward tax losses and £8.9m arose due to temporary differences (primarily losses and accelerated capital allowances) originating during FY23. No further credit has been recognised during FY24 in relation to this change.

As a group with worldwide operations, Laing O'Rourke is subject to several factors that may affect future tax charges, principally the levels and mix of profitability in different jurisdictions, transfer pricing regulations, tax rates imposed, and tax regime reforms. On 11 July 2023, Finance (No.2) Act 2023 was enacted in the UK, introducing a global minimum effective tax rate of 15 per cent. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023.

A Pillar 2 Effective Tax Rate (ETR) is calculated for every jurisdiction in which the Group operates and Pillar 2 Income Taxes will arise when the Pillar 2 ETR is less than 15 per cent. Pillar 2 Income Taxes could be payable in the UK, or the local jurisdiction if it has introduced a Qualifying Domestic Minimum Top-up Tax.

Laing O'Rourke is continuing to monitor potential impacts as further guidance is published by the OECD and territories implement legislation to enact the rules. Management has performed an assessment of the impact of the Pillar 2 rules based on our FY24 data and no Pillar 2 Income Taxes are expected to arise for most jurisdictions in which the Group operates. The Group believes it qualifies for one of the transitional safe harbours provided.

It is anticipated that Laing O'Rourke may, in some jurisdictions, incur additional tax liabilities. But the effect on the reported tax charge is reasonably estimated to be immaterial.

Pensions

The Group operates several pension schemes with leading industry providers in Europe and Australia. These are defined contribution schemes and, as such, aside from regular monthly contributions, there are no outstanding pension liabilities.

Insurance

Insurance broking globally is consolidated with Marsh, given its technical expertise in arranging insurance for engineering and construction-based projects, combined with international market coverage.

The Group carefully monitors the balance between insurance risk retained by the Group through its insurance captive, and risk associated with the insurance purchased in the external market.

Our liability insurance profile tracks and correlates with our safety performance – the number of High Potential (PC1) events reduced from 50 in FY23 to 45 in FY24. The Group remains comfortable with the level of insurance risk it is carrying internally.

Intangible assets

The Group has £344.7m (FY23: £340.2m) of intangible assets on its balance sheet, with goodwill accounting for £320.7m (FY23: £322.4m). The movement in goodwill year on year is due to foreign exchange fluctuations. Goodwill is not amortised under International Financial Reporting Standards but is tested annually for impairment. In accordance with IAS 36, the recoverable amount has been tested by reference to four-year forecasts, discounted at the Group's estimated weighted average cost of capital.

As at 31 March 2024, based on internal value-in-use calculations, the Board concluded that the recoverable value of the cash-generating units to which the goodwill relates exceeded the carrying amount. Details of the tests applied can be found in note 12 to the financial statements.

Finance and treasury policy

The Group's Treasury function has continued to closely and prudently manage the Group's liquidity, funding, and financial risks arising from movements in areas such as interest rates and foreign currency exchange rates. The Group has not entered into foreign currency hedges. The Group continues to review its credit support requirement and prioritise the management of key financial stakeholders, including key banking relationships and surety bonding providers who support our long-term strategic agenda.

UK construction working capital and supply chain payments

The UK business continues to target improvements in its supplier payments and is fully engaged with current sector dialogue regarding payment practices.

Since the 2008 financial crisis, access to traditional bank funding by tier one contractors and subcontractors alike has reduced, due to a loss of appetite for the sector by UK banks. Reliance on off-balance-sheet support has also become more difficult, due to a reduction in the attractiveness and the availability of bonding and guarantee facilities.

Tier one cash flow is particularly sensitive to the length of time taken to agree and settle changes and variations. Similarly, it is sensitive to the quantum of, and duration over which, cash retentions are held by customers, and any reluctance of customers to pay upfront for the significant cost and risk of mobilising a major project and the related offsite manufacture of components.

All parties involved in the sector must collaborate to provide a more modern approach to payments, and provide adequate working capital to avoid the current hand-to-mouth, trickle-down of liquidity.

Laing O'Rourke Plc became a signatory to the UK's Prompt Payment Code (PPC) in 2013, and remains committed to improving its payment performance.

Laing O'Rourke Delivery Limited is the main trading entity in the UK, a wholly owned subsidiary of Laing O'Rourke Plc, and the main entity subject to the PPC.

In terms of payment data, the UK businesses reported their latest set of payment practices data for the six months to 31 March 2024. During this period the average number of days to pay invoices has increased slightly to 30 days (six-month period ending 30 September 2023: 28 days), the percentage of invoices paid under 60 days has decreased slightly to 91 per cent (six-month period ending 30 September 2023: 94 per cent), and the percentage of invoices paid to terms has decreased slightly to 81 per cent (six-month period ending 30 September 2023: 84 per cent).

During this period, invoice payment timing has been impacted by ongoing negotiations and significant under-valuations on one major contract, which have now been finalised. The business continues to operate with a lower level of debt in line with its strategy to reduce debt risk. Despite this, payment practice data has remained materially in line with the prior year.

There is still progress to be made by the Group in achieving payment to all suppliers within terms, particularly against the backdrop of continued inflationary pressure across the supply chain. We are constantly reviewing measures that can be delivered to continue to improve payment practice performance.

While we remain focused on payment practice performance improvement, we operate in a sector where supply chains and contractual terms are complex. Prompt payment is often materially impacted by a lack of availability of debt to the sector, the complexity of contractual terms and the resulting delays in resolution of disputes, and additional time taken to agree change instructions.

Risk and accounting policies

The Group continues to be focused on further improving its risk management framework and risk and assurance processes.

The Board regularly assesses and monitors risks affecting the Group. Further details of the Group's risk management process, governance, and oversight, are set out on pages 24 to 30 in the Risk management section, together with the Group's principal risks.

Laing O'Rourke Corporation Limited reports its Company and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the European Union and Companies (Jersey) Law 1991. The Group's material accounting policies are explained in note 2 to the financial statements.

Inflationary environment

During FY24, inflationary pressures began to ease, with the price of certain materials beginning to stabilise, as compared to the high levels experienced in the prior year. We continue to manage inflation risk from the bid/tender stage and throughout the contract life, through our governance processes and various mitigation strategies. We also continue to broaden the adoption of the more resilient contracting model used in Australia across the wider Group, improving the Group inflation risk profile. The inflationary environment remained under review in FY24, with its impact carefully managed and mitigated wherever possible.

Challenges with staff recruitment and retention, and unexpected challenges in areas such as deliveries to site, are largely mitigated through our vertically integrated, direct delivery model, and direct employment. The Board will continue to monitor the impact of global turbulence and inflation on the UK business environment, and remains alert to the need to respond to changes in market conditions, such as: freedom of movement, right to work, finance and tariff implications, disruption to supply of plant and equipment and key construction components, exchange rates, and primary commodity prices.

Outlook

The Group has returned to profitability in FY24, with inflationary pressures beginning to ease and a much-reduced impact from challenging projects experiencing significant change. However, we remain alert to global and domestic political instability and continue to monitor the impact of further potential delays to capital investment in UK public-sector works.

Management continues to focus on strengthening the foundation of the business through effective risk management, prioritisation of sectors where our operating model can deliver the most value, continuing to adopt a more resilient contracting model, and embedding new processes and controls on project and customer selection.

Our FY25 forecast, and the longer-term delivery of our strategic targets, is predicated on continuing to win sufficient opportunities within our pipeline, the continued implementation of our strategic workstreams, and the ability to contain the impact of any potential further inflationary pressures and public-sector capital investment delays.

The Board remains confident that the strategic plan can be delivered, but will continue to closely monitor any further impacts of inflation, exacerbated by global turbulence, together with any changes to key judgements and estimations. This includes the likely timing of the outcome of the ongoing arbitration in Australia. This has been explained in our going concern note on pages 58 to 60. The impact of climate change on our forecasts and future performance has also been explained in note 2.28 (b) to the financial statements.

The Board remains confident in the resilience of the business and its leadership due to its proven track record against a challenging market backdrop, including the impacts of Brexit, the pandemic, and inflation.

The UK Government is committed to a significant level of infrastructure investment, as set out in the UK National Infrastructure Strategy in September 2022. However, timing and level of investment continue to remain uncertain, with potential further impacts following the general election and subsequent change in government in July 2024.

Adoption of modern methods of construction remains central to government investment, which the Europe Hub is well placed to respond to. This is especially true given the pioneering investment and development of our own advanced manufacturing facilities, backed by new digital platforms and our continued commitment to technology and innovation.

Growth in the Australia Hub is expected to continue to be underpinned by the Australian Government's ongoing commitment and intention to level up the country's infrastructure, and the spending profiles and budgets of the state delivery agencies. Public investment in Australia has continued to progress at pace during FY24, which the Australia Hub is well positioned to respond to.

The Australia Hub has a strong order book and has secured a number of new major projects in our key strategic sectors of rail, defence, and road infrastructure. The business is remaining focused on significant opportunities across these priority sectors.

The Group continues to invest in the four key pillars of its strategy: people, technology and innovation, manufacturing, and our unique operating model.

Our continued investment in our existing advanced manufacturing footprint in the UK, as well as our vertically integrated, direct delivery model, our focus on working with the right customers in priority sectors, our strong customer engagement, and robust internal control environment, all ensure we are well positioned to continue to win high-quality work.

The Group also continues to work closely with the UK Government as a strategic supplier to deliver much-needed hospitals and infrastructure in support of its investment agenda. The Group has continued to convert its strong pipeline, and this remains one of the Board's main priorities for the remainder of the current financial year.

The Group now has 97 per cent of its expected FY25 revenue either secured or anticipated, and 89 per cent of its expected FY26 revenue secured, anticipated, or at the preferred bidder stage. The Group order book stands at £10.2bn as at 31 July 2024.

The Board has considered the Group's financial requirements based on current commitments, its secured order book, and the factors set out above, as well as the latest projections of future opportunities. It has evaluated these against its banking and surety bonding arrangements. It has concluded that the Group is well placed to manage its business risks and meet its future financial targets successfully.

Going concern

The directors have considered the Group's forecast future cash flows together with downside cash flow scenarios. The directors consider it reasonable to assume that the Group has adequate resources to meet its obligations as they fall due for a period of at least 12 months from the date of approving these financial statements. See pages 58 to 60 of the consolidated management report for further detail. For this reason, the going concern basis continues to be adopted in preparing these financial statements.

Rowan Baker
Group Chief Financial Officer

Image: The team inspect the new Chelsea Embankment, part of the Tideway project – London, UK

RISK MANAGEMENT

Managing risk to deliver our strategy

At Laing O'Rourke, we bring our engineering expertise to deliver complex buildings and infrastructure.

Risk is inherent in our industry. Understanding the constantly changing risks, establishing our risk appetite, and ensuring our controls and processes are operating as designed, are essential ingredients in the recipe for success for our Deliver 2025 mission.

We have established a clear governance structure and risk management process to ensure all our decisions are risk focused, fit within our risk framework, and drive us towards our 2025 strategic goals.

Governance and oversight

The Board is responsible for managing risk across the Group. It delegates responsibility for monitoring risk, and for obtaining adequate assurance over the design and effective operation of mitigating processes and controls, to the Audit and Risk Committee.

The Audit and Risk Committee, through the Group and hub executive boards, maintains both a top-down and bottom-up approach to risk. While hub and Group-level principal risks are reviewed at least annually, projects, business units, and functions also maintain detailed risk registers to ensure the principal risks remain complete and relevant.

Our risk management process

We have adopted a standardised approach to risk and assurance across both hubs to ensure consistency of information presented to our Executive Committees, and the Audit and Risk Committee.

We assess risk after taking account of the current control environment, providing a true picture of the current levels of risk. If we are outside the limits of our risk appetite framework, we design and implement further processes and controls.

We separately ensure we have the required level of assurance that our processes and controls are operating effectively.

Firstly, we identify the principal risks that could impact the achievement of our 2025 strategic goals. Our next step is to evaluate and understand the processes and controls currently in place to reduce the likelihood of the risk crystallising, as well as actions we would take to mitigate impact if it were to occur.

We then establish our risk appetite. This ensures we are not taking unacceptable risks, while equally ensuring we are not focusing unnecessary time and effort on reducing the likelihood and impact of risks below levels we are willing to accept.

During FY25, we are planning to enhance our assurance programme to more regularly assess whether our processes and controls are operating effectively to mitigate risk.

Risk

Identifying and bringing principal risks within risk appetite (assumes mitigating activities are operating as designed)

Assurance

Gaining assurance that mitigating activities are adequately designed and operating

1. Identify, evaluate, and assess risks

A. **Identify** those risks which could materially impact the Group's ability to deliver its strategy

B. **Evaluate** the current activities which reduce these risks

C. **Assess** the residual impact and likelihood of the risk occurring

2. Consider if risk level is acceptable

A. **Consider** if current risk level is within risk appetite

B. **Formulate** action plan to further reduce risk level if necessary

3. Assurance gap analysis

A. **Identify** existing BAU assurance activity

B. **Determine** required level of assurance (both scope and level of independence)

C. **Identify** assurance gaps

4. Additional assurance

A. **Perform** additional assurance activities as required

Principal risks

Our principal risks align with our four key pillars:

- People;
- Technology and innovation;
- Manufacturing; and
- Our unique operating model.

Our principal risks are reviewed at least annually by our hub-level and Group Executive Committees, or more frequently if circumstances require.

For each principal risk, we have outlined the causes of the risk, the effect it could have, and the actions we are taking to reduce the likelihood of the risk crystallising, or to mitigate its impact if it were to crystallise.

Our governance framework is underpinned by our project gateway process. Coupled with our project delegation of authority, this sets out 10 project gateways that form the lifecycle of our projects, ensuring we achieve our strategic aims within the limits of our risk appetite.

1. Health and safety

GEC sponsor	Group Chief Executive Officer
Rating trend	▲ Increased (FY23: ➤ no change)

Risk

Failure to maintain a safe working environment and prevent serious injury/fatality.

Deviations from agreed safe systems of work could potentially expose employees, subcontractors, suppliers, and/or members of the public to dangers or hazards that could lead to injuries, health implications, financial loss/penalties, or serious damage to our reputation, internally and externally.

How we manage it

The fundamental focus of our health and safety governance framework is to eradicate serious accidents and occupational health issues from all our operations. We do this through our 'Rethinking Safety through Inclusion + Wellbeing' programme. During the year we have focused on:

- Continued implementation of our 'Rethinking Safety through Inclusion + Wellbeing' programme;
- Continued innovation to design out risk and engineer in health and safety at the earliest stage of the project;
- Consistent implementation and continuous monitoring and review of our accredited health and safety management system, our leading delivery excellence standards, health and safety procedures, and competence requirements, to ensure a high level of compliance across every workplace;
- Engaging with our people and supply chain at every level to ensure they play an active part in how we go to work and are curious about the health and safety risks faced on site. Supporting our people in managing their energy and capacity, to perform at their best throughout the day;
- Creating an open and honest learning culture based on trust, integrity, and genuine care for our people. Ensuring no repeat incidents via increased health and safety rigour and resilience across all operations;
- Statutory health surveillance programme for employees who undertake roles that have known health risks; and
- Specialist health professional team to support the business in achieving its aim to manage health risks at work.

2. Work-winning

GEC sponsor	Group Director, Commercial, Clients & Markets (EU)
Rating trend	➤ No change (FY23: ➤ no change)

Risk

Work-winning with unfavourable price, scope, and programme.

Misalignment between price, scope, programme, and terms of contract could result in inadequate contractual protection and potential cost escalation. It could also impact our ability to deliver the financial performance and cash flows underpinning our growth strategy. In our Australia Hub, new market entrants are increasing market competitiveness.

How we manage it

The Clients & Markets function is focused on securing a long-term, sustainable pipeline of work across priority sectors with high-quality customers, ensuring alignment with our strategic objectives and operating model. Our approach to opportunity selection and pursuit is governed using a series of assurance gateways, managed via our integrated Group Management System (iGMS), and includes:

- Executive authorisation required before resources are committed to prepare an offer in pursuit of an opportunity, ensuring alignment with our strategic ambitions;
- An inter-disciplinary bid settlement process, with each project being assigned a bid lawyer, ensuring all aspects of any proposed contract are transparently recorded, debated, and challenged to mitigate the likelihood of excessive risk exposure;
- An automated delegation of authority framework providing clarity and structure on approvers and approval levels when committing bid resource or making offers to customers; and
- Bidding performance, volume, and resourcing, formally reviewed by our executive monthly against our strategy and business plan, informing strategic work-winning decisions.

Rating trend legend:
▲ increase in risk during period ➤ no change in risk during period ▼ decrease in risk during period

3. Our people

GEC sponsor	Group Chief Executive Officer
Rating trend	➤ No change (FY23: ▲ increased)

Risk

Inability to attract and retain appropriately skilled individuals required to deliver strategic objectives.

Uncompetitive compensation packages, lack of attractive roles, insufficient internal development programmes, and inadequate leadership lead to insufficient staff to deliver growth in line with our current and planned commitments. This can impact our financial performance and therefore delivery of our strategy.

How we manage it

People are a primary component of our strategy. We aim to be a progressive employer of choice, with a clear commitment to equality, diversity, and inclusion. We strive to provide a working environment that champions and invests in the development of our people, so they can excel within their chosen field:

- Various equality, diversity, and inclusion subcommittees monitor and enhance our thinking and action to develop and retain our people, and improve their experience;
- Continued investment in our Design for Manufacture and Assembly (DfMA) operating model, in pursuit of an enhanced working experience for our people;
- Both hubs have continued to invest in early talent programmes, including apprentices, interns, and graduates, regardless of market conditions;
- Innovative partnerships with universities to enhance ability to attract leading graduates;
- Continued benchmarking of compensation packages against industry peers; and
- Continued commitment to achieve an equal number of men and women among our global staff by 2033, including industry-leading, gender-focused initiatives to improve representation among frontline construction workers.

4. Climate change and sustainability

GEC sponsor	Group Director, Legal, Procurement (EU), and Sustainability
Rating trend	▲ Increased (FY23: ➤ no change)

Risk

Failure to manage and respond effectively to climate change.

This risk is around failure to respond to climate-related challenges that have a fundamental impact on our business strategy. It includes adverse impacts on project planning and delivery, failure to take action to limit exposure to operational vulnerabilities, and negative impacts on work-winning ability, financial planning, access to finance, and our reputation.

How we manage it

Responsible, sustainable decision-making lies at the heart of our business. Modern methods of construction continue to underpin our approach, helping to mitigate some climate-related risks and providing a point of competitive differentiation.

Our sustainability strategy focuses on four key pillars, as described in the Sustainability statement. These are focused on acting for customers, the environment, society, and our people.

In addition, the following actions support the mitigation of climate-related risks:

- Innovation – taking a fresh approach to technical design, material use, building techniques, and nature protection, to continually find new solutions to today's sustainability-related challenges;
- Collaboration – taking an active role within our industry to drive change as a collective, via our partnerships with trade bodies, supply chain, governments, and regulators;
- Targeted action – as detailed in our sustainability governance statement on pages 14 to 17, using climate scenario analysis to drive our activity and priorities, ensuring we take the most impactful actions first; and
- Accountability – ensuring responsibility for sustainability is shared across our organisation, and risks, opportunities, and actions are visible at each level, including Board, Executive team, management, and staff.

Rating trend legend:
▲ increase in risk during period ➤ no change in risk during period ▼ decrease in risk during period

5. Financial resilience

GEC sponsor	Group Chief Financial Officer
Rating trend	➤ No change (FY23: ▲ increased)

Risk

Failure to maintain adequate financial resilience and/or liquidity or comply with financial covenants.

Inability to secure funding in the form of refinancing facilities could impact our ability to bid for work, make investments, or meet our ongoing liquidity needs. This could adversely impact profitability, cash flow, and future growth. Failure to meet financial covenants could lead to an event of default if any breach is not remedied within the relevant grace period.

How we manage it

Our experienced Cash Management, Treasury, and Finance teams take a prudent approach to liquidity. They constantly monitor and maintain sufficient cash reserves, as well as available bank facilities, to meet liabilities and financing needs as they fall due. The teams also take a proactive stance on monitoring and complying with covenants and reporting requirements. Procedures are in place to monitor and forecast cash usage and other highly liquid current assets. This, together with committed credit facilities, ensures we have adequate available cash. The rating trend increased in FY23 due to the in-year Group operating loss which in turn impacted the Group balance sheet. Measures have now been taken to improve this position, but it remains an area of focus for the Board. Additionally:

- We maintain strong relationships with our lenders and other financial stakeholders, ensuring we keep them fully and regularly informed of all developments in relation to liquidity management. We have received full support from our financial stakeholders throughout the year;
- Our Clients & Markets function focuses on securing work with associated cash receipt profiles in line with our cash operating model including securing mobilisation payments;
- During FY24, financial covenants were reset with HSBC to reflect current macro-economic challenges. The unsecured revolving credit facility was extended to 3 April 2026;
- We continue to pursue cash and financing opportunities, such as asset finance secured against plant and machinery, or the disposal of legacy assets, ensuring we meet our liabilities and financing needs as required; and
- We operate standardised reporting, forecasting, and budgeting processes to ensure cash generation and covenant compliance are maintained.

6. Business integrity

GEC sponsor	Group Director, Legal, Procurement (EU), and Sustainability
Rating trend	➤ No change (FY23: ➤ no change)

Risk

Fraud, bribery, and corruption activities.

Failure to detect and prevent illicit activities resulting in severe reputational damage and loss of licence to operate, and therefore our ability to win work.

How we manage it

We are committed to operating to the highest ethical standards and take a zero-tolerance approach to fraud, bribery, and corruption. We expect all employees and partners to act in accordance with our published Global Code of Conduct and established business integrity policies.

There are several focus areas that support this approach:

- Continued awareness programmes regarding our business integrity policies, covering bribery and corruption, fraud, money laundering, modern slavery, sanctions compliance, and competition;
- Continued availability of anonymous, independently operated whistleblowing hotline available to anyone wishing to raise concerns (Safecall);
- Continuous training of our staff and workforce to ensure they understand our commitments regarding fraud, bribery and corruption, and the implications for our business of failing to properly address them;
- Ensuring effective arrangements are in place to allow people to raise concerns about inappropriate behaviour, and to ensure such concerns are investigated appropriately;
- Interacting with business units and functions via an annual risk assessment and bi-annual control review, to ensure we maintain effective controls to prevent and detect fraud, bribery, and corruption;
- Undertaking effective due diligence on our customers, suppliers, and other business partners; and
- Reviewing our Global Code of Conduct and business integrity policies regularly, to ensure their effectiveness.

Rating trend legend:
▲ increase in risk during period ➤ no change in risk during period ▼ decrease in risk during period

7. Project delivery

GEC sponsor	Group Chief Executive Officer
Rating trend	➤ No change (FY23: ▲ increased)

Risk

Failure to deliver projects on time, to budget, and to expected quality.

Inability to deliver our portfolio of projects across all geographic locations on time, to budget, and to the right quality could result in financial loss or reputational damage.

How we manage it

Project Certainty is our operating model for how we deliver projects against a set of key principles, to drive consistency across our portfolio, creating a common experience for our customers:

- The Board-approved project delegation of authority framework details the cascade of authorisations required for any substantial changes proposed that would deviate from the key terms and delivery methodology agreed during the bid process;
- In the UK, we have started rolling out CEMAR, a contract management solution, to all new NEC and FIDIC projects and are developing the tool further for JCT projects. This will significantly improve our change management processes and will provide one source of truth for all contract communications;
- For any special projects sitting outside our standard delivery model, we ensure appropriate length pre-construction services agreement periods to ensure scope of works are fully understood;
- Our integrated Group Management System (iGMS) details a clear project playbook and must be adhered to across our portfolio, ensuring consistency of approach;
- Early engagement initiatives, innovative Design for Manufacture and Assembly (DfMA) methodology, and our integrated end-to-end capabilities serve to mitigate risk and offer greater surety of delivery; and
- Our digital agenda and engineering technologies continue to achieve time and cost efficiency through a full visualisation of the build sequence and design delivery integration in our programme to build.

8. Procurement/supply chain

GEC sponsor	Group Director, Legal, Procurement (EU), and Sustainability
Rating trend	➤ No change (FY23: ▲ increased)

Risk

Lack of supply chain resilience.

Cascading failure in the supply chain, including subcontractors and material procurement, or inflationary impacts disrupting our ability to deliver to requirement and price, can result in potential project overruns, reduced margins, and adverse impacts on customer relationships. This could affect future work-winning.

How we manage it

The Procurement function is responsible for the acquisition of services and supplies in support of the Group's business activities:

- Exposure to external supply chain failure is reduced due to our internal, vertically integrated capability. A significant proportion of key work packages and manufactured products are delivered in-house. Contractual terms provide us protection in case of insolvency of an external supplier;
- A continued commitment to maintain strong, long-term relationships with key supply chain partners ensures alignment to our needs;
- Regular reviews of our lists of preferred suppliers ensure compliance with legislation and regulations applicable to us, and to the businesses of those in the supply chain;
- Robust supplier selection and monitoring processes are in place to ensure we respond appropriately to changes in supplier circumstances;
- Inflation risk is managed by, wherever practical, signing up the main works packages back-to-back with the main contract award; and
- Greater certainty of supply through long-term strategic framework agreements with key supply chain partners.

Rating trend legend:
▲ increase in risk during period ➤ no change in risk during period ▼ decrease in risk during period

9. IT security, cyber security, and resilience

GEC sponsor	Group Chief Financial Officer
Rating trend	➤ No change (FY23: ▲ increased)

Risk

Failure to protect our IT estate, systems, and infrastructure from hostile or fraudulent attacks and/or maintain availability of key IT systems and data.

Insufficient IT system resilience and/or unauthorised access to our systems and data, or disruption of business operations from a cyber-attack, could result in the unauthorised disclosure of data, disruption to business systems and operations, or a contravention of regulatory compliance requirements.

How we manage it

Technology is crucial to maintaining a flow of information across our projects and offices. It is therefore important that our systems, controls, and protocols are robust in this area. We continue to look for opportunities to complement or enhance our cyber security position.

In support of this, we have delivered:

- A dedicated, global Cyber Security team focused on monitoring and managing our cyber defence controls across the Group;
- Regular specialist external audits and use of external partners to provide specialist services such as penetration testing and digital forensics;
- Additional cyber controls implemented for the Group to satisfy compliance requirements as per the Australian Cyber Security Centre's (ACSC) Essential 8, and the UK National Cyber Security Centre's (NCSC) Cyber Essentials Plus certifications;
- Defined process to conduct risk assessments as part of onboarding new IT suppliers; and
- Regular user education through different channels, including mandatory cyber eLearning modules, phishing simulations, posters, and in-person workshops.

10. Macro-economic environment

GEC sponsor	Group Director, Commercial, Clients & Markets (EU)
Rating trend	▲ Increased (FY23: ▲ increased)

Risk

Negative impact of changes in macro-economic conditions on work-winning pipeline, procurement of goods and services, our people, and our customers.

Prolonged market turbulence and disruption from political or economic instability, both domestically and internationally, resulting in reduction or delay in work-winning opportunities, shortages of goods and/or services from our supply chain, and delay in customer decision-making, could adversely impact our financial resilience and results.

How we manage it

We monitor the continued economic turbulence, inflation instability, and worldwide elections, and use the following to mitigate, where possible, adverse impacts to project delivery and our financial position:

- Regular financial review and monitoring of project performance so timely action can be taken, and themes identified;
- Centralised review and monitoring of relevant procurement price and lead time data, allowing timely action;
- Scenario analysis to consider the impact of high inflation, with relevant actions identified; and
- Engagement with political stakeholders by a dedicated team to increase the profile of our industry in political debate.

Rating trend legend:
▲ increase in risk during period ➤ no change in risk during period ▼ decrease in risk during period

11. Portfolio

GEC sponsor	Group Director, Commercial, Clients & Markets (EU)
Rating trend	➤ No change (FY23: ▲ increased)

Risk

Insufficient or inappropriate diversity of customers, and/or our customer portfolio does not align to our strategic aims.

Our portfolio/pipeline is not sufficiently diversified across sectors, customers, and project size to ensure our strategic aims are achieved across macro-economic cycles, including changing public spending priorities.

How we manage it

- We regularly review our portfolio and pipeline to ensure appropriate diversification, taking into account the risk and reward profiles of the customer or sector;
- Annual market and macro-economic reviews help us calibrate our portfolio and pipeline against the prevailing economic conditions; and
- All new bids follow our rigorous gateway process, during which the bid is considered in the context of the wider portfolio, to ensure continued alignment of the business with our strategic aims.

12. Laws, policies, and regulations

GEC sponsor	Group Director, Legal, Procurement (EU), and Sustainability
Rating trend	▲ Increased (FY23: ➤ no change)

Risk

Failure to comply with, and manage effectively, current legislation and regulations, and/or implement new legislation and regulations.

Unintended non-compliance with laws and regulations due to the Group not responding to any change in applicable legal, tax, and regulatory requirements in a timely manner, or the Group not fully understanding the impact and implications and applicable regulatory changes.

How we manage it

The Group operates in sectors which are subject to increasing and complex oversight from regulators (e.g. the Building Safety Act in the UK), scrutiny from stakeholders, and complicated contractual arrangements. We actively monitor tax, legal, and regulatory requirements, including:

- Actively monitor and respond to regulatory changes;
- Raising awareness of changes across the Group with mandatory training implemented where required;
- In the UK, engagement and training campaign focusing on enhancing awareness of the Building Safety Act;
- Anonymous, independently operated whistleblowing hotline available for anyone to raise concerns; and
- Regular reviews of risk assessment and controls within our compliance programme with necessary improvements made as and when required.

Continued monitoring

The following area continues to be monitored for any potential impact to the Group.

Joint arrangement partners

Non-delivery by our joint arrangement partners through poor performance, financial failure, or reduced capacity or capability could impact our ability to deliver projects on time, to budget, and to the right quality, impacting financial performance or reputation. Our in-house delivery capability allows us to work independently whenever possible, reducing our reliance on third parties. Joint arrangements are only established when our interests are complementary to those of our partners.

Our robust process for entering into a joint arrangement relationship continues to mature in conjunction with our wider controls, ensuring that a thorough evaluation of the financial and operational integrity of a potential partner takes place before committing to any formal arrangement. Once established, the implementation of our governance procedures throughout the duration of a project seeks to ensure compliance with all contractual terms and practices. Operational cohesiveness is strengthened and maintained with regular supplemental 'Principals' meetings between senior executives, in addition to our weekly business plan review process.

Rating trend legend:
▲ increase in risk during period ➤ no change in risk during period ▼ decrease in risk during period

Image: The Ellison Institute of Technology – Oxford, UK

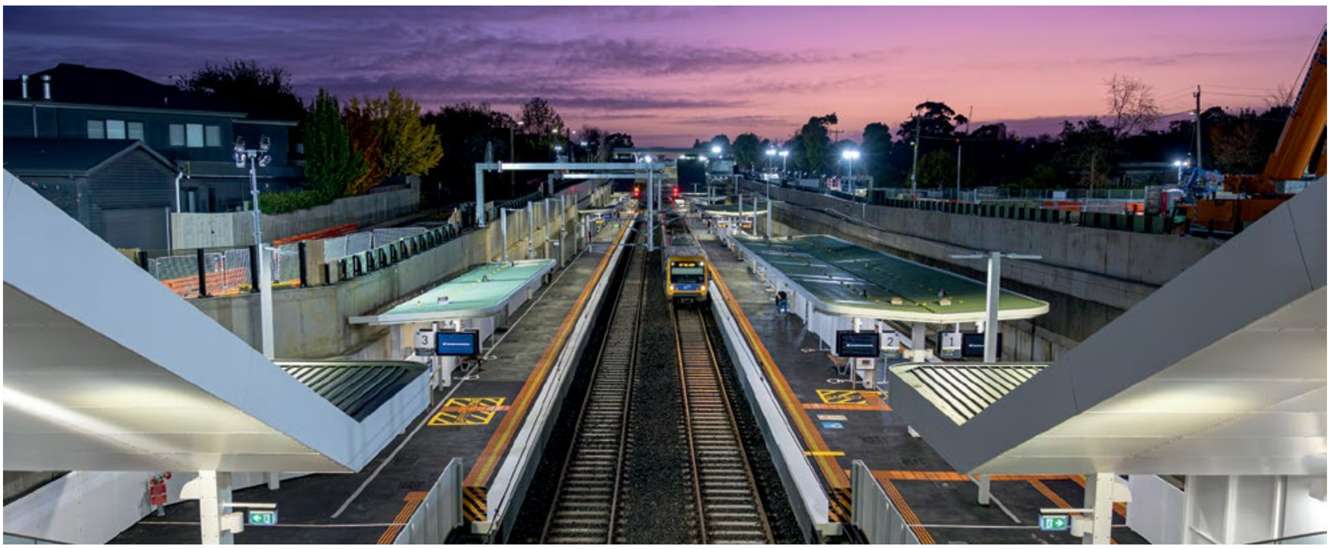
Image: The Stephen A. Schwarzman Centre for the Humanities – Oxford, UK

Image: Phase 1a of Oxford North's innovation district – Oxford, UK

Image: Swan River Crossings Project – Fremantle Traffic Bridge, Perth, Australia

Image: Suburban Rail Loop Early Works – Melbourne, Australia

Image: Union Station – Melbourne, Australia. Image supplied by Level Crossing Removal Project



GOVERNANCE INTRODUCTION

Corporate governance principles

During the year ended 31 March 2024, our relevant UK companies in the Laing O'Rourke Group have considered the Companies (Miscellaneous Reporting) Regulations 2018 and elected to apply the Wates Corporate Governance Principles for Large Companies, as published in December 2018 (the 'Wates Principles').

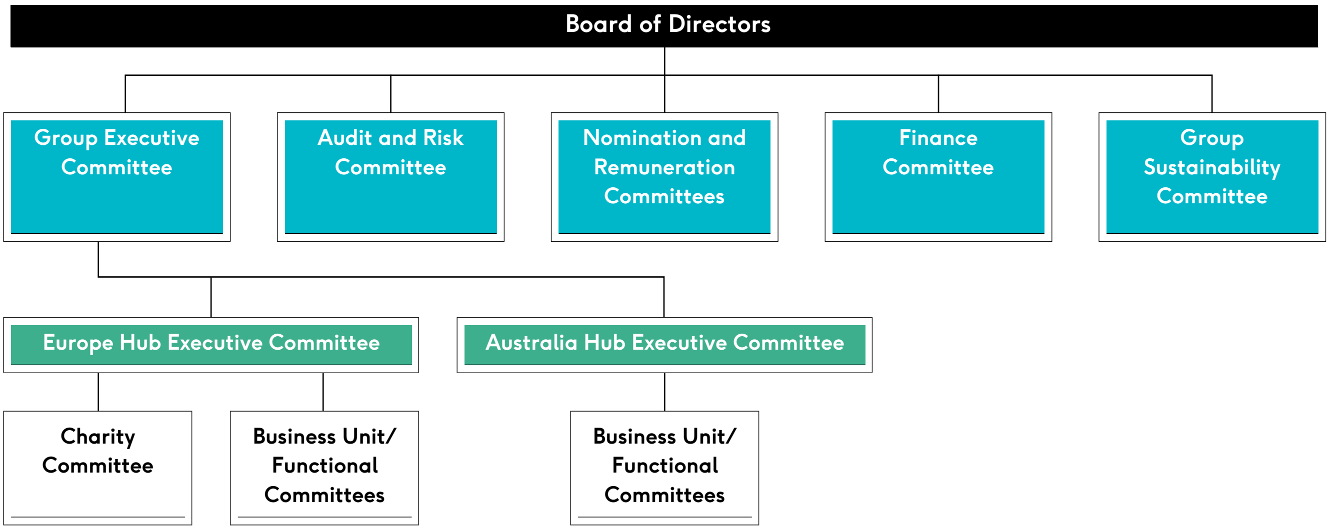
We reported against the Wates Principles for the first time in the financial year ended 31 March 2020. The continuance of this reporting assists in assessing what has been done well, and where there remains opportunity for further improvement of our corporate governance. It is also recognised that governance requirements and needs will evolve over time.

Our ambition continues to be the achievement of best-in-class corporate governance across the Group.

Group corporate governance framework

At Laing O'Rourke, we are proud of what has already been achieved. We take the view that good corporate governance is a cornerstone of the creation of a successful business and one that generates value for wider society. Our Group governance framework continues to be applied across our global business and was reviewed during FY24 in line with our annual review cycle.

Board structure



Highlights

We published our standalone Sustainability Report in January 2024, provided our first full climate-related disclosures, and have set our science-based targets

Once again, we were ranked in the top 10 among the UK's largest private companies for women in board positions and in the top 20 for leadership positions by FTSE350 Women in Leadership Review

We have continued to embed our operating model, Project Certainty, underpinned by data analytics tools to improve decision-making

For the first time, we voluntarily published statistics on ethnic diversity of the Board in response to the Parker Review

Board appointed Cathal O'Rourke as new Chief Executive Officer, replacing his father Ray who continues on the Board as Group Deputy Chair

DIRECTORS AND COMMITTEES

Directors

Sir John Parker GBE FREng

GROUP CHAIR

Independent Group Chair at Laing O'Rourke, Sir John also chairs the Finance Committee and is a member of the Nomination and Remuneration Committees.

Sir John has built up an enviable reputation across a range of industrial sectors as a leader in the boardroom, including chair at six FTSE 100 companies and Chair of the Court of the Bank of England. He also chaired the Parker Review Committee for Government on Ethnic Diversity of UK boards. A visiting Fellow at Oxford University, he takes a keen interest in the development of engineering technology, diversity, and talent.

Ray O'Rourke KBE

GROUP DEPUTY CHAIR

Shareholder and founding director of Laing O'Rourke, Ray recently stepped down as Group Chief Executive Officer. Ray chairs the Nomination and Remuneration Committees, is a member of the Finance Committee, and is available to the Group CEO to meet with key stakeholders and to provide mentoring and advice.

Ray founded R O'Rourke & Son in 1977. The business acquired the construction arm of John Laing Plc in 2001, and with the acquisition of Barclay Mowlem Australia in 2006 created today's extended international engineering construction group.

Des O'Rourke

GROUP DEPUTY CHAIR

Shareholder of Laing O'Rourke, Des provided Board-level support to the Group Chair and the Group Chief Executive Officer in the operational management of the Group's business activities. Des was also a member of the Group Executive Committee, the Europe Hub Executive Committee, and the Nomination and Remuneration Committees.

Des had a proven track record in project delivery, mobilising large teams of people onto complex projects around the world.

Des O'Rourke sadly passed away on 17 July 2024. He will be sorely missed by all who knew and loved him.

Cathal O'Rourke

GROUP CHIEF EXECUTIVE OFFICER

Cathal was appointed Group Chief Executive Officer in July 2024, having previously served as Group Chief Operating Officer and Managing Director, Australia. Cathal chairs the Group Executive Committee as well as both the Europe and Australia Executive Committees. Cathal is also a member of the Nomination and Remuneration Committees.

Between November 2020 and April 2022, Cathal held the role of President of the Australian Constructors Association, where he led significant reform initiatives. Cathal is a chartered civil engineer and a member of the Institution of Civil Engineers.

Rowan Baker

GROUP CHIEF FINANCIAL OFFICER

Rowan joined Laing O'Rourke in September 2020 as the Group Chief Financial Officer. Rowan is also a member of the Group Executive Committee, the Finance Committee, and the Europe and Australia Hub Executive Committees.

An experienced finance executive, Rowan was previously Chief Financial Officer at McCarthy & Stone Plc. Prior to joining McCarthy & Stone in 2012, she worked in finance for Barclays Bank Plc and PwC. Rowan is a qualified accountant (FCA) and chartered tax advisor (CTA). Rowan is also a Non-Executive Director and Chair of the Audit Committee at Vistry Group Plc.

Rebecca Hanley

GROUP DIRECTOR, STRATEGIC PROGRAMMES

Rebecca joined the Board in November 2022, having been a member of the Group Executive Committee since June 2018 as Group Head of Strategy, and the Australia Hub Executive Committee since April 2022 as Hub Managing Director. Rebecca temporarily stepped down from the Board in June 2023 for a period of parental leave, and was re-appointed in July 2024.

Rebecca previously worked in strategy with Anglo American Plc, and in strategic and financial leadership positions with PwC and private equity-owned companies in the UK and Australia. Rebecca is a Chartered Accountant with an MBA from INSEAD in Paris.

Jim Edmondson
GROUP COMPANY SECRETARY

Jim joined the Group in January 2018 and is a member of the Board. Jim is also a member of the Group Executive Committee.

Jim is a solicitor of the Supreme Court of England and Wales, and a former joint senior partner of a major London law firm with responsibilities for strategy, thought leadership, nurturing of client relationships, and business development. Jim also specialised in advising on corporate structures, succession planning, and the application of proper administration and corporate governance in the context of directorships and trusteeships.

Mark Cutifani
NON-EXECUTIVE DIRECTOR

Mark was appointed to the Board as an independent Non-Executive Director in September 2022. Mark is an experienced global chief executive who joined the Board as Senior Independent Director. Mark chairs the Group Sustainability Committee and is a member of the Nomination and Remuneration Committees.

Mark stepped down in April 2022 as Chief Executive and an executive director of Anglo American Plc, after nine years leading the global mining giant. He is credited with leading the turnaround of Anglo American after joining as Chief Executive in 2013.

Heather MacCallum
NON-EXECUTIVE DIRECTOR

Heather joined the Board as an independent Non-Executive Director in November 2022, chairs the Audit and Risk Committee, and is a member of the Nomination and Remuneration Committees.

Heather was a partner in KPMG Channel Islands Limited's financial services practice from 2001 to 2016. She predominantly provided audit and advisory services to the investment management sector and currently serves as a Non-Executive Director on the boards of several companies, including Jersey Water and B-FLEXION Fund Management (Jersey) Limited.

Dr Hayaatun Sillem CBE
NON-EXECUTIVE DIRECTOR

Hayaatun was appointed to the Board as an independent Non-Executive Director in March 2022. In addition to her role on the Board, Hayaatun is a member of the Audit and Risk Committee and the Group Sustainability Committee.

Hayaatun is Chief Executive Officer of the Royal Academy of Engineering and Queen Elizabeth Prize for Engineering Foundation. She co-chairs the UK Government's Business Innovation Forum and co-chaired Sir Lewis Hamilton's Commission on improving Black representation in UK motorsport. She was made a CBE for services to International Engineering in 2019.

Charlotte Valeur
NON-EXECUTIVE DIRECTOR

Charlotte was appointed to the Board as an independent Non-Executive Director in March 2018. In addition to her role on the Board, Charlotte is a member of the Audit and Risk Committee, the Group Sustainability Committee, and the Nomination and Remuneration Committees.

Charlotte has more than 30 years' experience in the financial services industry, and has held a range of executive and non-executive directorships in listed organisations.

Group Executive Committee

Cathal O'Rourke
GROUP CHIEF EXECUTIVE OFFICER

Des O'Rourke
GROUP DEPUTY CHAIR
Deceased 17 July 2024

Madeleina Loughrey-Grant
GROUP DIRECTOR, LEGAL, PROCUREMENT (EU), AND SUSTAINABILITY

John O'Connor
GROUP DIRECTOR, COMMERCIAL, CLIENTS & MARKETS (EU)

Rebecca Hanley
GROUP DIRECTOR, STRATEGIC PROGRAMMES

Mark Dimmock
ACTING MANAGING DIRECTOR, AUSTRALIA

Rowan Baker
GROUP CHIEF FINANCIAL OFFICER

Paul Teasdale
GROUP DEPUTY CHIEF FINANCIAL OFFICER

Jim Edmondson
GROUP COMPANY SECRETARY

Andrew Wolstenholme resigned from the Group Executive Committee in October 2023, but continues to serve the business as a strategic advisor.

Members of the Europe Hub Executive Committee

Cathal O'Rourke
GROUP CHIEF EXECUTIVE OFFICER

Des O'Rourke
GROUP DEPUTY CHAIR
Deceased 17 July 2024

Rowan Baker
GROUP CHIEF FINANCIAL OFFICER

Simon Chatwin
DIRECTOR, COMMERCIAL

Sarah Conway
DIRECTOR, OFFICE OF THE CEO, AND GROUP CORPORATE AFFAIRS

Barry Dye
DIRECTOR, NUCLEAR

Allan Gregory
DIRECTOR, DELIVERY

Madeleina Loughrey-Grant
GROUP DIRECTOR, LEGAL, PROCUREMENT (EU), AND SUSTAINABILITY

Peter Lyons
DIRECTOR, SPECIALIST TRADING BUSINESS GROUP

Declan McGeeney
DIRECTOR, TECHNICAL SAFETY AND DIGITAL

John O'Connor
GROUP DIRECTOR, COMMERCIAL, CLIENTS & MARKETS (EU)

Glenn Sheedy
DIRECTOR, STRATEGY AND TRANSFORMATION

Martin Staehr
DIRECTOR, DELIVERY

Amy Tullis
DIRECTOR, PEOPLE

Alex Warrington
DIRECTOR, DELIVERY

Members of the Australia Hub Executive Committee

Cathal O'Rourke
GROUP CHIEF EXECUTIVE OFFICER

Rowan Baker
GROUP CHIEF FINANCIAL OFFICER

Sarah Crennan
DIRECTOR, TECHNICAL

Dr Regan Crooks
DIRECTOR, STRATEGY, TRANSFORMATION, AND INNOVATION

Annabel Crookes
DIRECTOR, LEGAL, RISK, AND DELIVERY

Mark Dimmock
ACTING MANAGING DIRECTOR, AUSTRALIA

Helen Fraser
DIRECTOR, PEOPLE

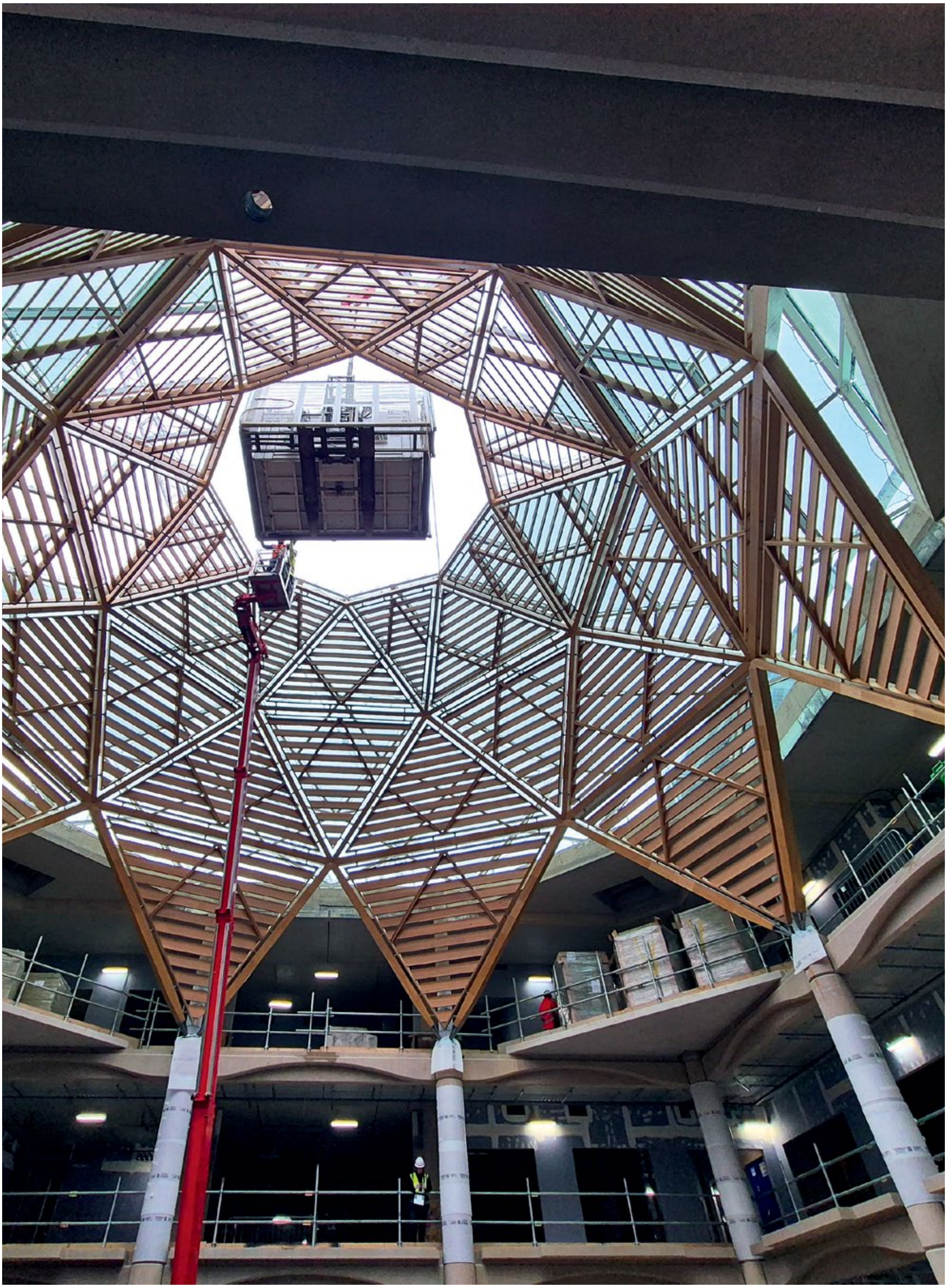
Rebecca Hanley
GROUP DIRECTOR, STRATEGIC PROGRAMMES

Andrew Jeffrey
DIRECTOR, COMMERCIAL

Paul Milne
DIRECTOR, DELIVERY

Paul Teasdale
GROUP DEPUTY CHIEF FINANCIAL OFFICER

Image: Stephen A. Schwarzman Centre for the Humanities – Oxford, UK



KEY MATTERS CONSIDERED BY THE BOARD DURING THE YEAR

Activity	Actions	Progress and outcomes
Purpose and values	Embedding purpose and values into systems and processes.	There was good progress throughout the year in embedding purpose and values into Laing O'Rourke learning and development programmes. It has also formed part of the work being conducted through our 'Rethinking Safety through Inclusion + Wellbeing' programme, and features throughout our sustainability agenda. The Board endorsed a redesign of the Laing O'Rourke learning, development, and performance management tools to better reflect our purpose and values.
Financial performance	Continuous evaluation of the Group's financial performance against budget and forecast. Approved the Group's Annual Report and Accounts. Continued response to the challenges presented by inflationary pressures. Consideration of the Group's capital requirements and extension of the Group's financing arrangements.	There have been frequent, detailed reports provided for each Board meeting from the Group CFO and Group Director, Commercial, Clients & Markets (EU). This included a refinancing in the year and frequent cash flow management reports. The FY23 Annual Report and Accounts were approved by the Board in the year. There has been a programme of frequent Board and Executive Committee meetings. The Board approved and oversaw an exercise to rationalise overheads in the year. It also endorsed a number of key actions to improve margin.
Sustainability	Continuous action to achieve our goals: • To achieve operational net zero emissions by 2030; • To be fully net zero before 2050; and • To achieve 50/50 gender balance across global staff by 2033. In addition, the Board has endorsed social value goals of enriching the lives of two million people in the UK and creating £2bn of social value by 2030.	Laing O'Rourke's purpose, and its core values of care, integrity, and courage, remain at the forefront of our decision-making process. The Board is now able to make data-based decisions using calculator tools that track our progress against targets. In 2023, the Group was able to make its first full TCFD disclosure, identifying both areas of full compliance and those areas where further work was required, and submitted for validation its first science-based targets in respect of reducing Scope 1, 2, and 3 emissions. The Middle East business was also brought into the reporting on Scope 1 and 2 emissions. The Board endorsed the mandatory introduction of low carbon concrete (LCC) minimum requirements in all UK projects and has been tracking this across all projects. It also endorsed the conversion to biodiesel fuel for heavy plant and a sustainable fleet of plant and machinery. In January 2024, the Group published a standalone Sustainability Report (which can be found on our website) which outlined our Group-wide sustainability proposition. The Board approved the appointment of a new Head of Diversity & Inclusion in the Europe Hub, and has since approved a refreshed diversity and inclusion action plan. The Board has continued its support and approval of investment in innovation and technology to support the Laing O'Rourke decarbonisation strategy. The Board approved the Supply Chain Sustainability Charter, which sets out our sustainability expectations from our supply chain.
Strategy	The Board remains committed to the mission set in 2017 for Laing O'Rourke to be the recognised leader for innovation and excellence in the construction industry by 2025. A roadmap to 2025 was set and has been reviewed annually. As part of this strategy, we undertook a reset of our Europe Hub Clients & Markets function with an extended remit and a restructured team, focused on our priority sectors.	The Board renewed its commitment to achieving its Deliver 2025 mission and underlined its priority commitments as safety, quality, diversity and inclusion, innovation, and the delivery of profit.

Activity	Actions	Progress and outcomes
Leadership and people	Continued review of Board composition, skills, and diversity. Continued consideration of succession planning for senior roles. Continued consideration of purpose from an individual leadership perspective.	There have been no changes to the composition of the Board this year, other than the interim stepping down by Rebecca Hanley for a period of parental leave. For the first time, the Board reported to the Department for Business, Energy & Industrial Strategy on the ethnic diversity of its Board in response to the Parker Review, which asked the boards of the UK's top 50 private companies to consider disclosure of ethnic diversity data. Succession planning has continued to evolve under the stewardship of the Group Chair. Executive initiatives continue to define and support purposeful leadership. Subsequent to the year end, the Board appointed Cathal O'Rourke as the new Group Chief Executive Officer after Ray O'Rourke KBE stepped down.
Risk management and internal controls	Further embedding of Project Certainty, our operating model for how we deliver projects against a set of key principles and metrics, to ensure consistency across our projects. The Project Support and Integration Office (PSIO) developed various tools and approaches to ensure timely and independent data insights, to enable key stakeholders in the business to make timely, informed decisions. Ongoing work on improving and strengthening internal controls and processes across the business. A holistic review of health and safety in the Europe Hub. Refreshed Europe Hub risk and assurance model. Design and implementation in the UK of systems to ensure compliance with the requirements of the Building Safety Act.	The Board has continued to review the implementation of Project Certainty and assess its success. The Board has used Project Certainty metrics to ensure a personal connection between project and business leadership teams. The Board has endorsed the work of the PSIO team to implement Project Certainty into more projects. The team has been tasked with the design and roll-out of the Laing O'Rourke standard work breakdown structure, as well as the design and implementation of the Europe Hub virtual control room. The resulting data better supports decision-making by the Board and Executive, enabling more meaningful conversations internally and with customers. It also helps ensure project risks are identified, assessed, and resolved as early as possible.
'Rethinking Safety through Inclusion + Wellbeing' programme	Continual focus on the physical and psychological safety of people.	Engineered safety is central to the way in which the Group goes to work. This is an important manifestation of our values that place care at the heart of our business. The Board has ensured throughout the year that the business remains focused on engineered safety. This approach focuses on working with our design partners to apply: • Engineered safety by engineering out risk; • Modern methods of construction, including offsite manufacturing and the use of digital technology in design; and • Human performance in terms of leadership and wellbeing. The Board has endorsed ongoing training to leaders, site supervisors, and site operatives to ensure safety is a priority at every level of the business. The Board also endorsed safety stand downs across the whole of the UK business at points in the year to allow for safety resets.

WATES PRINCIPLES

The structure of the Corporate Governance Statement follows that recommended by the Wates Principles. Each of the Wates Principles has been considered individually and in the context of Laing O'Rourke's operations.

Principle One – Purpose and Leadership

An effective board develops and promotes the purpose of a company, ensuring its values, strategy, and culture align with that purpose.

The Board of Directors of Laing O'Rourke, guided by its purpose and values, regularly and consistently challenges strategy, performance, and accountability.

It recognises that its strategic success and continued growth depends on making sure its purpose and values are embedded into its decision-making, culture, and ways of working throughout the organisation.

As part of the process to put our purpose into practice, we:

Redesigned our performance management, onboarding, and learning and development tools

Supported our leaders to become culture champions

Are designing a system for tracking people goals against our purpose

Strategy

In 2017, Laing O'Rourke set its mission to be the recognised leader for excellence and innovation in the construction industry by 2025. That year, the road to excellence towards 2025 was planned and began implementation.

Each year, the strategy to achieve the Deliver 2025 mission is reviewed and refined.

Macro-economic circumstances presented the Board with a challenge that was addressed through the strategic priorities and objectives for the year. There was a particular emphasis on providing greater certainty and cost efficiency for our customers, as well as improving the safety and wellbeing of our people.

The work to achieve these objectives is outlined in more detail in the sections below, and on page 4.

It included key projects to design data analytics to support better decision-making, continuous improvement of project governance and controls, and a renewed focus on engineered safety.

Throughout the year, the Board and Executive regularly reviewed strategy through Board and executive meetings and monthly Transformation Business Plan Reviews.

Conduct and ethics

An important component of our values is ensuring compliance with our Global Code of Conduct, which was refreshed during FY24.

Laing O'Rourke's Global Code of Conduct ensures the shared values of care, integrity, and courage, powerfully influence the way our people come to work. It also empowers our people to choose to do the right thing in any situation.

We undertook a six-monthly review of the effectiveness of our internal controls, including how we identify and prevent modern slavery, our system for claiming expenses, and how we conduct internal investigations. While the overall effectiveness of our internal controls was found to be high, we identified areas for improvement. These were reported to the Audit and Risk Committee and are now being addressed.

In anticipation of the UK Government's introduction of a new failure to prevent fraud offence, our Compliance team has commenced planning for a risk assessment of our framework and controls to ensure the business is doing enough to detect and prevent fraud.

In response to the legislative changes related to the Procurement Act, Laing O'Rourke is also enhancing its due diligence checks.

In FY24, the Board and Executive oversaw focused action to identify and prevent modern slavery.

In this respect, the annual assessment undertaken each year through the UK Government's public-sector procurement portal has shown that the effectiveness of our controls is very high. We have also identified areas for improvement in our Europe Hub, which are being addressed.

The Europe Hub Modern Slavery Working Group has already implemented:

- **Mandatory training for staff and workforce in identification and reporting of modern slavery**
- **Risk assessment of all high-risk suppliers**
- **Two ethical site audits conducted**
- **Enhanced collaboration with our supply chain partners to identify modern slavery risk**
- **Enhanced due diligence checks and processes**

In this respect, Laing O'Rourke is committed to:

Leading
By providing assurance to ourselves and our customers

Being transparent
By understanding where challenges lie

Influencing
By raising awareness among our suppliers and other stakeholders

Principle Two – Board Composition

Effective board composition requires an effective chair and a balance of skills, backgrounds, experience, and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.

The Chair of the Board is responsible for leading and managing the effectiveness and governance of the Laing O'Rourke Board.

The Chair ensures Laing O'Rourke Board members are aware of and understand the views of key stakeholders, and helps set the tone from the top in terms of culture, purpose, and values.

The Laing O'Rourke Board is committed to ensuring it is both balanced and diverse, and that it contains people with the right mix of skills, knowledge, and experience. It is also committed to nurturing a culture of equal opportunity where everyone can be their authentic self, and can therefore perform at their best.

45%
Female representation on Laing O'Rourke Board[1]

1st
Laing O'Rourke Board was once again the leading private contractor in the UK's FTSE Women Leaders Review

55%
Women on the Australia Executive Committee

1. Includes Rebecca Hanley who was re-appointed to the Board in July 2024 after a period of parental leave, and Des O'Rourke, who sadly passed away on 17 July 2024.

Board meetings in the year:

Name of director	Number of principal Board meetings the director could have attended	Number of principal Board meetings attended	Percentage of principal Board meetings attended
Chair			
Sir John Parker GBE FREng	5	5	100%
Executives			
Ray O'Rourke KBE	5	5	100%
Des O'Rourke	5	5	100%
Cathal O'Rourke	5	5	100%
Rowan Baker	5	5	100%
Rebecca Hanley[1]	2	2	100%
Jim Edmondson	5	5	100%
Non-executives			
Mark Cutifani	5	5	100%
Heather MacCallum	5	5	100%
Dr Hayaatun Sillem CBE	5	5	100%
Charlotte Valeur	5	5	100%

1. Rebecca stepped down from the Board as a director for a period of parental leave from June 2023. Therefore, the number of Board meetings she was eligible to attend as a director of the Board during the year was two.

Our achievements in driving diversity throughout the Group are set out on page 12 of the Sustainability statement.

The Laing O'Rourke Board believes its size and composition is appropriate to meet the strategic needs and challenges of the business and to enable effective decision-making.

The Board continuously works on improving its effectiveness. In particular, the Board:

- Has four independent non-executive directors, whose purpose is to challenge and provide external expertise;
- Is provided with twice-yearly formal training on directors' duties and areas of focus for the business, as well as opportunities to visit projects and offices, and to meet our people and our delivery partners;
- Is supported by the work of its committees, which provide information and make recommendations for action;
- Is provided with Board papers and information in an accessible format ahead of meetings, to enable effective preparation and to support informed discussion and decision-making; and
- Continues with its Executive Development programme, supported by a global leadership consultancy designed to identify and address leadership development goals.

The Board continues to review membership and skillsets of the Board committees to ensure they remain fit for purpose as the business evolves. The CEO performs a similar role for the principal management committees which report into the Group Executive Committee (GEC) (principally the Europe Hub Executive Committee and the Australia Hub Executive Committee). The role of the Board Committees and principal management committees are explained in more detail opposite. Members of the GEC and principal management committees are profiled on pages 36 to 38.

Group Executive Committee

The Board delegates the day-to-day operation of the Group to the Group Executive Committee, chaired by the Group CEO. The role of the Committee is to recommend the Group strategy to the Board, allocate capital, and monitor execution to maximise shareholder returns.

Hub Executive Committees

Both the Europe Hub Executive Committee and Australia Hub Executive Committee are chaired by the Group CEO, Cathal O'Rourke. The purpose of the Committees is to execute strategy and maximise cash flows from operations.

Audit and Risk Committee

This Committee is chaired by independent Non-Executive Director Heather MacCallum. The purpose of the Committee is, among other things, to increase the confidence of recipients of our financial reports by ensuring the integrity of such reports and assist our Board and shareholders in ensuring the effectiveness of our control environment.

In FY24, the Committee met three times to review draft financial statements and the information supplied by management in significant accounting judgements, review the going concern statement, receive updates from our external auditors, and monitor internal control improvements.

Nomination and Remuneration Committees

Both these Committees are chaired by the Group Deputy Chair, Ray O'Rourke KBE. The purpose of the Committees is to make recommendations to the Board, where required, on Board appointments, removals, and succession planning, as well as the Group's remuneration structure, ensuring alignment of remuneration to the long-term sustainable success of the Group.

Finance Committee

The Finance Committee is chaired by the Group Chair, Sir John Parker GBE FREng, and is charged by the Board with overseeing and approving significant new financing arrangements.

Sustainability Committee

This Committee is chaired by independent Non-Executive Director Mark Cutifani.

It is charged by the Board with overseeing the environmental impact and sustainability of operations and monitoring of progress against our targets. The Committee also encompasses inclusion and wellbeing.

Key sustainability achievements in FY24:

Data and disclosures

- We completed our submission for Group-wide, science-based targets
- We have progressed with the development of our net zero action plan
- We have focused on data gathering, to set a baseline and measure progress to achieve our targets
- In the Australia Hub, we appointed a general manager for Sustainability and initiated a restructuring of the team to align with the Europe Hub

Diversity and inclusion and social value

- We implemented the Social Value Strategy in the Europe Hub
- We launched an Indigenous Affairs Strategy and Stretch Reconciliation Action Plan in the Australia Hub
- We had a reset of our Diversity & Inclusion leadership and membership of our Diversity & Inclusion Council to assess progress, evolve our strategy, and ensure greater accountability for achieving our diversity targets

Health and safety

- We embedded a global approach to health and safety through our 'Rethinking Safety through Inclusion + Wellbeing' programme, which focuses on whole lifecycle health and safety, as well as psychological safety, delivered through three pillars:
  - Engineered safety, including the appointment of engineered safety leaders to all new projects and the development of engineered safety digital design requirements for our design partners;
  - Delivery excellence; and
  - Human performance.

Principle Three – Director Responsibilities

The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.

The Laing O'Rourke Board and individual directors have a clear understanding of their accountability and responsibilities, as well as policies and procedures to support effective decision-making and independent challenge.

As mentioned, the Board has four independent non-executive directors whose purpose is to bring independent challenge to the decision-making of the Board. Each Board member understands their statutory and ethical duties, including in respect to potential conflicts of interest, which could compromise objective decision-making.

The Laing O'Rourke Board receives regular and up-to-date information on performance of the business and progress against strategy. The committees that support the Board ensure the necessary systems, people, and processes are in place to gather and report data that is current and accurate. The Board is of the opinion that the Group's key reporting business functions are appropriately staffed, trained, and qualified to ensure the integrity of information.

In respect to financial information being provided to the Laing O'Rourke Board, this is collated from Laing O'Rourke's accounting systems by its Group Finance function. Financial information and financial controls are regularly reviewed internally, and any improvement actions are taken with oversight by the Audit and Risk Committee.

Papers and reports to the Board are circulated to Board members using a secure, cloud-based database that enables papers to be accessed in any location, on any Company-issued device.

At a subsidiary level, appointments to the boards of operating subsidiary companies are reviewed and aligned with membership of the Group and Hub Executive Committees, and the delivery and business function leadership structure.

The terms of reference and responsibilities of the Board, together with its key officers, committees, and subsidiary boards, are contained in the Group Governance Framework. The framework provides clear lines of accountability and responsibility for the Board, Executive, and committee members.

Each year we conduct a review of our Group Governance Framework and the corporate matrix of delegated authorities. In the last year, this was conducted to reflect the appointment of Cathal O'Rourke to the Laing O'Rourke Board.

In addition, we continue to review our conflicts policy and improve our project delegation of authority framework by setting out clearly the cascade of authorisations required for key, project-related decisions according to a risk-based assessment. Staff can use a digital risk calculator to assess the risk associated with particular project decisions, and escalate accordingly. This ensures authority to determine our response to the highest risks is reserved for the Board, Group, and Hub Executive Committees.

Principle Four – Opportunities and Risk

A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and by establishing oversight for the identification and mitigation of risks.

The Laing O'Rourke Board seeks out opportunities for value creation and long-term business success. The Board also has overall responsibility for risk management. The Board reviews and approves strategy, and as part of this exercise considers threats and opportunities, including risk appetite, following a planning dialogue annually, and regular strategy check-ins throughout the year. Further information on the strategy setting process is provided under Principle One.

Opportunities

In respect of opportunities and long-term value creation, the Executive meets regularly to review the opportunities pipeline, ensuring any opportunities followed up are aligned to the Group's purpose, values, and strategy. The Executive escalates opportunities as appropriate to the Board, to ensure oversight and receive direction.

In assessing and acting on opportunities, the Board and Executive ensure they are leveraging the Group's vertically integrated, direct delivery model, its technology and innovation expertise, and modern methods of construction. This included the decision made during FY24 to use only low carbon concrete on all new projects in the UK, to accelerate progress towards our goal of becoming a net zero company before 2050, and to assist with our customers' sustainability goals.

Low carbon concrete

Laing O'Rourke is the first UK contractor to switch exclusively to low carbon concrete (LCC). The switch to LCC follows a two-year research and development programme, co-funded by Laing O'Rourke and Innovate UK, and with the support of academic partners from the University of Cambridge and the University of Sheffield's Advanced Manufacturing Research Centre.

In our Australia Hub, we announced the introduction of concrete carbon limits to reduce embodied carbon emissions for the business and the supply chain.

The Board is dedicated to its 2025 mission to be the recognised leader for innovation and excellence in construction.

The Board has invested in the development of smarter ways of working through its Trades to Technicians vision. This is underpinned, for example, by the development of a new digital bridge solution. Developed at our Centre of Excellence for Modern Construction in Nottinghamshire, this solution significantly reduces build programmes, requires less resources on site, and produces a smaller carbon footprint.

Risks

The Board is responsible for setting and reviewing Laing O'Rourke's risk appetite.

The Group has a controlled risk appetite that is aligned to achieving its strategic objectives. It aims to ensure the Group is not unduly exposed to any event, or combination of events, that could cause a variance in risk appetite.

The identification and assessment of risks, and any mitigating measures, lie with the Executive and senior managers in each business unit and function. The Audit and Risk Committee is responsible for oversight of risks, both current and emerging, and escalation to Board level. The Audit and Risk Committee, chaired by Non-Executive Director Heather MacCallum, met three times in FY24.

UK Clients & Markets function

In FY24 we undertook a reset of our UK Clients & Markets function to create further opportunities to enhance the strength of our pipeline of work. This meant creating a new business stream, with accountability from the earliest point in the bid process to contract sign off.

We also appointed pre-construction directors to support this change of accountability by providing a key link between the Clients & Markets function and the delivery streams. These directors will also ensure that the commitments made at the bid settlement stage materialise at the point at which we sign the main contract, thereby allowing projects to move seamlessly into the delivery phase.

This key change provides our delivery teams with greater bandwidth to focus on excellence in delivery and provides clear and continuous Executive oversight across the bid and pre-construction services processes.

In addition, we have strengthened the governance around our bid settlement process, and have introduced a squad approach to the Clients & Markets function, to secure clarity of roles and responsibilities, and ensure everyone feels connected.

Project governance

We have continued to strengthen governance in our project gateway process from earliest bid opportunity through sign off of the main contract and to delivery, completion, and post-completion. This has entailed taking feedback from around the business, learning lessons, and making continual changes to streamline and strengthen the project governance process at every stage of the project lifecycle.

This underpins our holistic approach to managing risk and opportunity in our projects and ensures we can deliver according to our operating model, known as Project Certainty.

As part of the process of continual improvement of our project gateways, we are digitising each stage using a software system called Project Central. This process is ongoing and expected to complete in FY25 in both the Europe and Australia Hubs. The digitisation process will not only be more efficient, but will allow each project's risk profile to be assessed at the outset and, if it progresses, for that risk profile to be monitored and reviewed at every point in the project lifecycle. It will also enable greater collaboration among teams, increasing transparency, and reducing risk.

Technology and innovation

Last year, we developed an approach to delivering bridges that shaves weeks off the programme, requires less resources, and produces a smaller carbon footprint.

The approach is underpinned by a digital bridge configurator and an engineered kit of parts that has been developed, tested, and refined by our Technology & Innovation team, in collaboration with industry and academic partners.

Most recently, it has been deployed for use on the UK's M25, which enabled the installation of a bridge over the course of a weekend, and allowed the motorway to re-open seven hours earlier than planned.

Digital transformation

There have been several digital tools introduced in the year to underpin our work to enhance project outcomes. They include the implementation of project controls, digital minimum standards, and real-time reporting.

These allow for better management of project risk, better decision-making, clearer oversight, and earlier risk intervention.

We have introduced better tracking and management of change, including the pricing of change through the use of a new software system called CEMAR.

We have created an exemplar contract template and conducted training on key contract terms.

Last year, we introduced Contract and Compliance Lawyers (CCLs) who are embedded into project teams and whose role is to oversee contracts and identify emerging risks for early and effective interventions. This ensures compliance with our UK Building Safety Act obligations and provides a continuous feedback loop into project teams.

The process of introducing CCLs has continued at pace this year, with signs of considerable early success.

Another major step forward in the year in the UK has been growing our Project Support and Integration Office (PSIO), which was established in FY22. The PSIO team works alongside projects to analyse performance information to help the Laing O'Rourke Board and Executive make data-driven decisions to protect margin and programme certainty.

In June 2023, the PSIO team introduced the virtual control room, which provides the Board and Executive with real-time data across all live projects. It also identifies emerging risks.

The team has also designed and rolled out the Laing O'Rourke standard work breakdown structure and helped in the execution of our operating model, Project Certainty.

Internal risk and assurance

During FY24, the Europe Hub obtained Board approval for a refreshed risk and assurance model, adopting best practice from the established Australia Hub model.

This will leverage the expertise of our people by staffing project audits with peers from the same field of expertise. It will ensure audit staff are familiar with Laing O'Rourke's ways of working and have the requisite expertise in their respective fields. It will enable knowledge sharing without requiring membership of the project team itself, allowing for objective conclusions and more relevant action plans to be developed.

This expertise, introduced via peer review, will bring greater efficiency to the audit process, improve credibility of findings and recommendations for action, and will bring the Europe Hub into alignment with the Australia Hub.

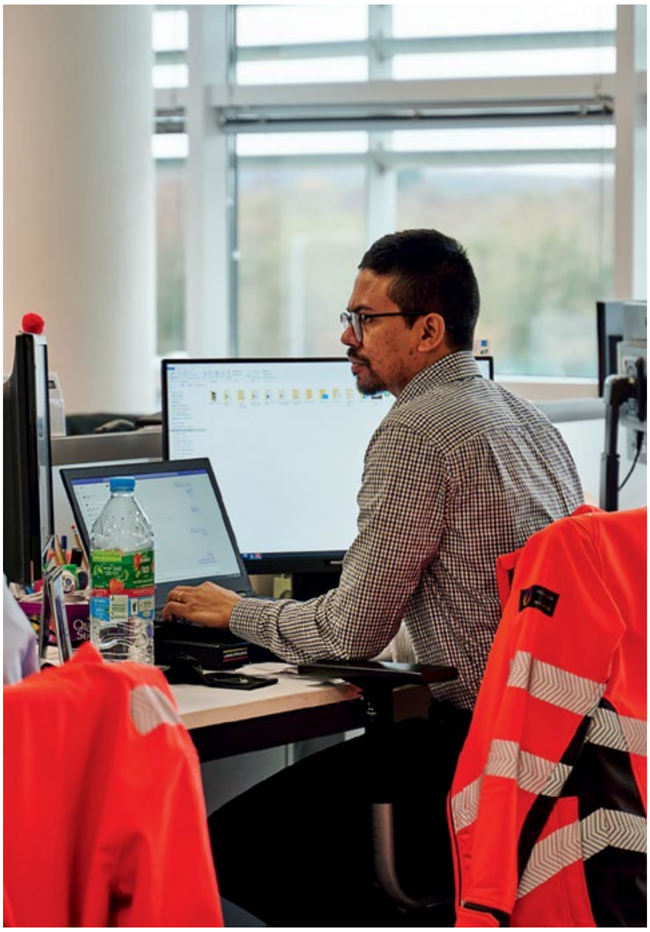
The new model will also allow us to use third-party experts when required in more technical areas such as finance and cyber security.

These changes in the Europe Hub, including team structure and reporting lines, will be implemented in FY25.

The focus on project assurance is supported by a programme of data enablement that allows the Board, executives, and leaders to review project data and key metrics in real time. This gives them the ability to identify and analyse emerging risks and key trends as they appear.

A digital reporting programme is also underway in our Australia Hub for key internal controls relating to business ethics, to enable more regular auditing and reviews.

We believe this new model of risk management will ensure our key stakeholders have the assurance they need. It will mean principal future threats to the Group are identified and understood, will enable the implementation of mitigation plans, and will ensure each risk is reduced to an acceptable level.



Principle Five – Remuneration

A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, considering pay and conditions elsewhere in the company.

The Nomination and Remuneration Committees, chaired by Group Deputy Chair Ray O'Rourke KBE, are responsible for the structure, appointments, removals, succession, performance, and compensation of the Laing O'Rourke Corporation Board, and the Laing O'Rourke Executive and senior leadership committee. Total directors' remuneration is disclosed in note 7 of the financial statements.

Directors and Executive Committee members who sit on subsidiary boards are remunerated at Group level and are not remunerated for their subsidiary Board positions. Remuneration of these directors is reviewed and set by the Group CEO or Australia Hub Acting Managing Director on behalf of their employing subsidiary, considering any relevant input from the Nomination and Remuneration Committees.

The remuneration of employees below executive level is overseen by the Executive Committee of each of the hubs, and the Group CEO. Salaries of all Group employees are aligned to the performance of the business and market conditions, with bonuses as well as long-term incentives for senior executives driven by a combination of personal and business performance.

In FY24, the Board published the Gender Pay Gap Report for 2023. In April 2023 in the UK, women's median hourly pay was 7.7 per cent lower than men, and women's mean hourly pay was 6.2 per cent lower than men. While the sector is still dominated by men, the number of women across our organisation continues to grow, with females making up 25 per cent of staff in the UK and 36 per cent in Australia.

Achieving gender parity in our organisation is a key target.

We are pleased to celebrate progress in this area. For the second year, Laing O'Rourke has been identified as a leading contractor for women on the Board, and women in leadership roles. We are well above target on those metrics.

The pay gap in the UK has reduced year on year, and the Board continues to take active measures to address and reduce this gap. Laing O'Rourke is confident that its recruitment procedures, pay governance, and review processes ensure compliance with equal pay legislation.

Principle Six – Stakeholder Relationships and Engagement

Directors should foster effective stakeholder relationships aligned to the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and offering regard to their views when taking decisions.

The Group has several key stakeholders, including customers, employees, suppliers, local communities, and regulators. Laing O'Rourke is acutely aware of the broader impact the business has on its stakeholders and on the broader environment.

The Board continues to embed its responsible decision-making (RDM) tool as a key enabler to make decisions driven by our purpose and values, and which have stakeholder interests at heart.

The Board is committed to ensuring a workplace that is safe, and where people feel they can be themselves, be valued, and know they are respected. Related to this, the Board is committed to supporting greater diversity of thought and background, in all its forms.

The Board is also committed to improving the environmental and social impact of what we do. To demonstrate that commitment, we have set challenging targets around sustainability and social value.

Stakeholder group	How we engage	How this stakeholder group influenced Board and/or committee discussions and decisions
Our customers	Early engagement with customers is key to our understanding of customer expectations, challenges, and priorities. This also provides us with an opportunity to showcase innovations we can bring to the table that have real and tangible business value. Our aim is to show customers that we can deliver certainty of cost, programme, and quality. We continue our dialogue with customers throughout the delivery phase and beyond, into the operational phase of a building or structure. We seek continuous feedback from customers informally and formally. This forms part of the key metrics of success for our projects. We also engage independent researchers to conduct interviews with customers.	Last year, we embedded our new customer relationship management system. The system is now delivering real value to us and to our customers, and it has supported the Board and Executive in nurturing key customer relationships. It has enabled the business to develop a more partner-led approach to its customer relationships, which is key to better outcomes for our customers, and for the business. The new system is also used to create a repository of sector plans and experience. This is used by the Board and Executive to showcase to our customers our capability in delivering faster, with fewer resources, and more sustainably.

Stakeholder group	How we engage	How this stakeholder group influenced Board and/or committee discussions and decisions
Our people	The Board aims to ensure there is a meaningful, two-way dialogue with employees. It keeps employees up to date on strategy and performance through a variety of channels. These include formal leadership events, employee briefings and roadshows, team and town hall meetings, internal communications on the Group intranet, and via digital employee communication tools such as Viva Engage. The Group also has a Diversity & Inclusion Council chaired by Non-Executive Director Charlotte Valeur and whose members include our Group CEO and CFO. The Diversity & Inclusion Council oversees several employee networks made up of employees and an executive sponsor. The employee networks' views, findings, and proposals are escalated to the Diversity & Inclusion Council for consideration by the Council and, as appropriate, to the Board for decision-making. In FY24, following a challenge by the Board to accelerate progress in diversity and inclusion, the Group appointed a new Europe Hub Head of Diversity & Inclusion, Lucy Kendall, to reset the diversity and inclusion agenda, and bring additional momentum to diversity goals. A key objective was to ensure better connectivity from employees up to the Board. The Diversity & Inclusion Council meets on a bi-monthly basis and ensures accountability is clear, and that connectivity with staff and workforce is real and effective.	This year we have undertaken a refresh of many of our policies and procedures, with work ongoing into FY25. We have worked to support our directors and Executive to understand employee issues such as workplace harassment and bullying, and to take meaningful and tangible steps to address these issues. Part of that process has been to undertake a review of instances of harassment on sites and to understand culture in different parts of the business and in our people's lived experiences. The Board is committed to ensuring that our people feel safe, valued, and respected. As always, the Board remains focused on health and safety. This remains foremost in all operational decisions made regarding access to project sites and offices. In FY24, the focus on safety has included the continued roll out of training at various levels within the business (at both leadership level and site supervisor level) and tool-box training for all site personnel, including subcontractors and suppliers. The training is ongoing as the Board recognises there can be no room for complacency. This year, the Health & Safety team conducted a review of the entire function, with actions identified to clarify roles and accountabilities, to enable consistent and effective Board and Executive safety leadership, and to ensure greater certainty and resilience in operational safety. We introduced line manager training courses to lay good foundations in leadership: the Manager Development Programme in the Australia Hub and Brilliant Basics in the UK.

Driving inclusion – an industry-leading site training programme

In partnership with another tier one contractor, we developed an industry-leading training programme to drive diversity and inclusion. The aim is to engage critical stakeholders in projects at a grassroots level. Success means we will have a training programme that connects with our people at every level, in every part of every project. The programme is currently being piloted on a UK project with an ambition to roll it out across further projects over the next 12 months.

Stakeholder group	How we engage	How this stakeholder group influenced Board and/or committee discussions and decisions
Our suppliers	Our aim is to strengthen and deepen the engagement we have with our supply chain. This improves outcomes on site, ensures we can comply with our legal, regulatory, and ethical obligations, and enables us to address sustainability challenges. A lot of work has been undertaken this year to implement compliance changes around the requirements of the Building Safety Act in the UK. This requires Laing O'Rourke to work closely with our supply chain to provide assurance on the necessary competency requirements. They include: • Securing the golden thread of information; • Providing clarity on duty holder obligations; • Meeting timescales for building control sign-off gateways; and • Overseeing product regulation. In the Europe Hub, a considerable amount of cross-functional work has taken place to streamline our supply contracts and subcontracts to ensure they fully align with main contracts and are simpler and fairer. The Europe Hub is also digitally transforming in this area, enabling large portions of our subcontracts and supply agreements to be automated, improving the efficiency of getting into contract in the first place, and reducing risk. In Australia, we held our annual event for suppliers, and we continue with our Key Supplier programme.	The Board recognises that its supply chain partners are integral to its ability to deliver world-class projects for our customers. It also understands that our partners are critical in helping the Group to achieve its 2025 mission to become the recognised leader for innovation and excellence, and to achieve our sustainability targets. Updates on significant activities and developments within the supply chain are provided to the Board and Executive. They are taken into account when setting and approving annual budgets and performance targets, and when making long-term strategic decisions. Last year's realignment of the functional portfolios to bring legal, procurement (EU), and sustainability under the oversight of Madeleina Loughrey-Grant has improved the synergy and alignment between the work we are doing to achieve our sustainability targets, and our supply chain members and their activities. During the year, in the Europe Hub, we published our Supply Chain Sustainability Charter, setting out our expectations in respect of environment and social value from our supply chain partners, ensuring we are part of the same collaborative journey. We remain a committed signatory to the UK's Prompt Payment Code, and supplier payment practices are regularly reviewed.
Our financiers	The Group operates strict controls over working capital and cash management, engaging proactively on these controls with its financiers. A regular and transparent reporting dialogue is maintained with lenders, including regular update calls and touch points, visits to our project and manufacturing sites, strategy briefings, general business updates, and reporting against agreed financial performance metrics.	All our financiers have direct access to the Group CFO, who is appointed to the Board and attends meetings of the Executive Committees. This ensures that the directors and senior leadership are kept informed of developments with our financiers, and that their views are considered when making relevant operational and strategic decisions.
Our community	At a project level, we engage with a wide range of local stakeholders to keep them informed of our initiatives and progress on projects. Our goal is for our projects to deliver significant economic and social value to local communities. Further details of our social value work, the targets we have set for our business, and our progress against those targets, are set out in our Sustainability statement. Laing O'Rourke delivered £306m of social value in the UK in FY24, and we spent AUD$111m with businesses led by Indigenous peoples in Australia.	The Board continues to ensure that the responsible decision-making framework is embedded across the Europe Hub and the Australia Hub. This is our ethical framework underpinned by universal principles of sustainability that helps our Board, Executive Committees, and our people consider our values, principles, and other external factors when making complex decisions.

Stakeholder group	How we engage	How this stakeholder group influenced Board and/or committee discussions and decisions
Government and regulatory bodies	In the UK, through the trade bodies Construction Leadership Council (CLC) and Build UK, we are party to regular dialogue with officials at the Department for Business and Trade and the Department for Energy Security and Net Zero. We also have regular dialogue with the Cabinet Office. Recent dialogue focused on economic conditions, including the impacts of unprecedented inflationary pressures on the sector, and the persistent challenge of skills and labour shortages. We also maintain dialogue with central UK Government departments responsible for delivery of specific infrastructure projects, including the Department of Health and Social Care for hospitals, the Ministry of Justice for prisons, and the Ministry of Defence regarding the modernisation of the UK defence estate. We are committed to developing and maintaining open and effective working relationships with regulatory bodies relevant to our business, to ensure there is an understanding of Laing O'Rourke's operating model and infrastructure delivery capabilities in the UK market. Where appropriate, these relationships are managed by senior leaders in our Executive team. In Australia, Laing O'Rourke has continued to drive industry engagement and thought leadership with key government customers and procurement agencies, through our involvement in the Australian Constructors Association, the Construction Industry Leadership Forum, and the New South Wales Skills Board. We have ongoing dialogue with governments at both State and Federal level, ensuring the Executive Committee is aware of government policy. Our engagement is geared towards influencing policy practice, particularly in terms of procurement methods and raising awareness of Laing O'Rourke's capabilities within the Australian market. With a large pipeline of major projects at the state government level, understanding of the political environment in each state is critical to our ability to differentiate our unique offering and value proposition.	Our regular dialogue with government and regulatory bodies ensures the Board and our Executive Committees are briefed on the potential impact of significant developments on government policy, procurement routes, and changes to laws and regulations.

Delivering social value

Our UK business is committed to achieving £2bn of social value and enriching the lives of two million people by 2030. We are comfortably on track to achieve these goals.

Laing O'Rourke worked with specialist social impact partner ANTZ and community groups in Manchester over a 10-month period to design an industry-leading programme called Building Opportunities. It is intended to break down employment barriers.

In Australia, we work with Career Seekers to bring qualified refugees into the business and provide coaching on work skills.

REPORT OF THE AUDIT AND RISK COMMITTEE

FY24 represented my first full year as Chair of the Committee. I am encouraged by the dedication of our teams to better understand the risks affecting the Group, and to ensure we have appropriate and proportional controls and processes in place.

The Committee held three meetings during the year. Aside from Committee members, meetings were regularly attended by the Group Chair, Group Chief Executive Officer, Company Secretary, Group Chief Financial Officer (and Finance team leadership from both hubs, when required), Group Director, Legal, Procurement (EU), and Sustainability, and representatives from our external auditors.

The Committee received regular updates at a project level by management and our external auditors as to the progress of the FY23 audit, and planning for the FY24 audit. For certain projects under construction, judgements can materially influence the financial position of the contract. The Committee was updated as to management judgements and our external auditors' views of these.

Risk and assurance within the Europe Hub underwent a period of transition during FY24. This included the development of an approved plan for the establishment of a new risk and assurance model during FY25. This plan is aligned to the established, best-practice Australia Hub model. This will leverage the expertise of our people by staffing project audits with peers from the same field of expertise. Under the new model, third-party experts will also be used when required in more technical areas such as finance and cyber security.

The revised resourcing approach to the new risk and assurance model will be implemented in FY25. The Europe Hub continued to progress control improvements during the year, with significant progress made in improving the cyber, procurement, and general ledger control environments. It also involved targeted audits across staff expenses, workforce lodging, and mobility allowances.

The Risk & Assurance team within the Australia Hub continued to focus primarily on project audits, with a number of control improvements identified within procurement, accounts payable, and cyber. The team worked independently of management, providing valuable assurance that controls and processes were operating as expected, while working with projects on areas of improvement. I was particularly encouraged by the use of AI-based predictive analytics tools in the Australia Hub, empowering our teams to identify financial risks in projects.

I am pleased to report that progress continues to be made across both hubs. We are looking forward to further improvements in our risk management and internal control environment in FY25.

Heather MacCallum
Chair of the Audit and Risk Committee

Key activities from FY24:

- Regular updates from management of the Europe and Australia Hubs, and representatives from our external auditors, as to the progress of the FY23 statutory audit and planning for the FY24 statutory audit;
- Regular updates on progress of internal control actions in both hubs;
- Ongoing monitoring of guidance from UK and Australia governments relating to additional reporting regulations;
- Approved refreshed Europe Hub risk and assurance model, to be rolled out during FY25, leveraging best practice from the established Australia Hub function; and
- Regular updates on adherence to compliance policies and processes.

Priorities for FY25

Priorities remain ongoing from FY24, with focus on:

- Ensuring alignment of risk and assurance processes across both hubs;
- Establishing a Risk & Assurance team in the Europe Hub, aligned to the existing Australia Hub model;
- Finalising the revised approach in the Europe Hub between internal resourcing and external outsourcing of internal risk and assurance;
- Demonstrating an improvement in our risk maturity; and
- Continuing to improve our internal control environment.

Image: Big data operators are demanding a shift to component-led, standardised data centre designs that allow rapid build programmes – an ideal fit with our vertically integrated, direct delivery model

DIRECTORS, OFFICERS, AND ADVISORS

Directors	Sir J Parker (Chair) R G O'Rourke KBE (Group CEO until 1 July 2024) H D O'Rourke (deceased 17 July 2024) R C Baker (Group CFO) C H O'Rourke (Group CEO from 1 July 2024) R Hanley (resigned 19 June 2023, reappointed 17 July 2024) J F Edmondson M Cutifani H MacCallum Dr H Sillem CBE K C Valeur
Company secretary	J F Edmondson
Company number	130524
Registered office	Level 4, International Finance Centre 1 St Helier Jersey JE2 3BX
UK contact address	Laing O'Rourke Plc Bridge Place Anchor Boulevard Admirals Park Crossways Dartford Kent DA2 6SN United Kingdom
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH United Kingdom
Bankers	HSBC UK Bank Plc 7th Floor Thames Tower Reading RG1 1LX United Kingdom National Australia Bank 395 Bourke Street Melbourne VIC 3000 Australia Emirates NBD Bank P.J.S.C. Head Office, Baniyas Road Deira, PO Box 777 Dubai, UAE
Insurance advisors	Marsh Limited Tower Place London EC3R 5BU United Kingdom
Insurers	QBE Europe SA/NV Ltd 30 Fenchurch Street London EC3M 3BD United Kingdom

CONSOLIDATED MANAGEMENT REPORT

The Board presents its annual management report together with the audited consolidated financial statements of the Laing O'Rourke Corporation Limited group (the 'Group') for the year ended 31 March 2024.

Principal activities

The Group's principal activities are:

Construction

- Programme management;
- Construction and building;
- Civil engineering; and
- Infrastructure and support services.

Manufacturing

- Building products; and
- Manufacturing construction products.

Plant hire

- Plant hire and operations.

Services

- Design services; and
- Building operations management.

A list of principal subsidiaries, joint arrangements, and associates can be found in note 37 to the financial statements.

A review of the Group's activities and performance for the year is presented on pages 10 to 53.

Changes in Group structure

During the year, the Group completed those dissolutions and the disposals as described on page 94 in note 13 to the financial statements.

General information

The Company is directly owned by R G O'Rourke KBE (64.2 per cent) and the late H D O'Rourke (35.8 per cent).

Branches outside Jersey

The Laing O'Rourke Corporation Limited Group operates through branches in the United Arab Emirates and Hong Kong.

Review of developments, position, and performance

Details of future developments are presented on pages 10 to 53.

Research and development

The Group expenditure on research and development of £58.0m (FY23: £47.2m) supports the development of construction techniques to deliver quality, certainty, and value for our customers.

Results and dividends

The results for the year are set out in the consolidated income statement and show a profit for the year after tax of £7.6m (FY23: loss after tax of £196.5m).

The Company paid no dividends during the year (FY23: £nil). The directors do not recommend the payment of a final dividend (FY23: £nil).

Post balance sheet events

The disposal of Laing O'Rourke Joinery LLC was completed on 31 May 2024; AED 25m was received as consideration.

In June 2024, Laing O'Rourke Australia Construction Pty Ltd made an on-account and without admission payment of AUD$72m (£36m) in respect of the ongoing arbitration referred to in note 24. This has reduced the Group's provision recognised in relation to the arbitration in FY25.

On 5 July 2024, a loan of £40.0m was advanced from Ebsworth Holding and Finance Limited, a related party, to the Group on commercial terms. The loan is for a term of two years.

Directors and their interests

Those directors who served during the year and up to the date of signing are set out on page 56 with their appointment/resignation date if applicable if after 1 April 2024. R G O'Rourke KBE and the late H D O'Rourke are shareholders who own all of the shares of the Company. No other directors have an interest in the share capital of the Company. Details of related party transactions can be found in note 33 to the financial statements.

Health, safety, and welfare

The Group is committed to ensuring the health, safety, and welfare of all employees at work. All reasonable measures have been taken to achieve this policy. Arrangements have been made to protect other persons against risk to health and safety arising from the activities of the Group's employees when at work.

Employment policy

The Group continues to provide employees with relevant information and to seek their views on matters of common concern through their representatives and through line managers. Priority is given to ensuring that employees are aware of significant matters affecting the Group's trading position and of any significant organisational changes.

The Group treats each application for employment, training, and promotion on merit. Full and fair consideration is given to both disabled and non-disabled applicants and employees. If existing employees become disabled, every effort is made to find them appropriate work, and training is provided if necessary.

Principal risks and uncertainties

Details of the Group's policies and procedures for managing risk are set out on pages 24 to 30.

Key judgements and areas of significant estimation uncertainty are detailed in note 2.27 to the financial statements.

Financial risks are detailed in note 29 to the financial statements.

Use of financial instruments by the Group

Details of the Group's financial instruments are set out in note 29 to the financial statements.

Share capital

Details of the Company's share capital are set out in note 26 to the financial statements.

Going concern

The Group continued to grow revenue and returned to profit in FY24, despite ongoing challenges and global turbulence, delivering a pre-exceptional EBIT of £75.6m. This result was driven by volume growth and gross margin recovery, coupled with tight control of overheads.

Year-end net cash remained broadly in line with the prior year at £278.5m (FY23: £286.3m) and the year-end order book continued to grow year on year, increasing to a record level of £10.8bn (FY23: £10.0bn). This has subsequently reduced to c.£10.2bn as at 31 July 2024 but is forecast to increase by year end.

During FY24, on 30 June 2023, the Group agreed a reset of its future banking covenants and on 18 October, the term of the Group's UK core bank debt, an unsecured £35.0m RCF, was extended by two years, with a revised expiry date of 3 April 2026, beyond the going concern period. Prior to this extension, the Group received a temporary waiver of its loan to value covenant related to a property loan, which was remedied as part of this extension and this loan was also extended to 3 April 2026.

As a result of its continued careful cash management, the Group continued to comply with its banking covenants, which are assessed at the level of Laing O'Rourke plc (a wholly-owned subsidiary of the Company) for the remainder of the financial year. Cash management in FY24 was impacted by significant under valuations and ongoing negotiations on one major contract, which have now been resolved.

Following the banking covenant reset, full covenant compliance continues to be forecast within both the Group's 'management case' business plan (its base case) and its severe but plausible downside scenario over the period assessed to 31 March 2026, albeit at certain points the level of covenant headroom under this downside scenario is limited. Details of the RCF covenants are provided in note 29.4 of the financial statements.

After the year end, on 5 July 2024, a loan of £40.0m was advanced from Ebsworth Holding and Finance Limited, a related party, to the Group on arm's length commercial terms for a period of 2 years.

In forming their conclusion as to the appropriateness of continuing to apply the going concern basis of accounting in preparing these financial statements, the directors have reviewed both the Group's 'management case' forecast, representing management's best estimate of the future performance of the Group, including cash flow forecasts to 31 March 2026 and a severe but plausible downside scenario for each Hub and as a Group. The directors have also considered the way in which the Group governs and manages its cash reserves and exercises tight control over its working capital as illustrated by its liquidity performance during the Covid-19 pandemic, Brexit and subsequent inflationary period in FY23.

The directors applied a consistent approach in assessing going concern across each of the Group's main businesses in the UK, Australia and the Middle East in preparing a management case and considering a severe but plausible mitigated downside scenario. The directors also carefully considered the forecast period to be reviewed as part of the going concern assessment and, due to the impact that project start dates can have on forecast cash flows, concluded that a 19-month period to March 2026 was appropriate.

The RCF, which funds the UK business, permits loans to be made from Australia to the UK and Middle East, and back, subject to certain restrictions, which do not impact management's ability to manage UK, Australia, or Middle East liquidity. LOR Australia is required to give advance notice to the counterparty referred to in note 2.27(b) of certain transactions that would amount to financial support of the broader LOR Group and, in concluding on the Group's Hub level going concern assessment, the directors have determined that it is reasonable to form the view that LOR Australia would be able to give further financial support to the UK business, depending on the details of the financial support proposed and the circumstances prevailing at that time. Transfers of funds from Australia to the UK have previously been made in May 2024 and October 2021. The directors therefore consider that liquidity can be reviewed on a Group basis, subject to directors' duties in each of the regions, and have also run individual Hub level severe but plausible downside scenario reviews to reflect the day-to-day Hub level management of liquidity. Therefore, both Group and hub level views of liquidity and covenant compliance have been reviewed as part of the overall assessment as to whether the going concern basis of accounting should be adopted.

The key assumptions and areas of estimation uncertainty reflected in the Group 'management case' business plan include the following:

- Construction activity is assumed to continue in line with current levels, with no material deterioration in project gross margins or the working capital position;
- Existing project inflation allowances and general contingencies are appropriate and sufficient. The Group continues to closely review and monitor the inflationary environment, and to manage inflation risk from the bid/tender stage and throughout the contract life, through our governance processes and various mitigation strategies. The Group also continues to broaden the adoption of the more resilient contracting model used in Australia across the wider Group, improving the Group inflation risk profile and any potential inflationary impacts on the estimated final cost of its projects;
- The 'management case' cash assumption is that there are not expected to be any adverse material cash settlements in the period to 31 March 2026 relating to the contingent liability matters disclosed in note 28 of the financial statements other than the claim in Australia, as disclosed in that note;

Going concern (continued)

- The 'management case' cash assumption, based on the latest arbitral timetable, forecasts the settlement of the claim described in note 2.27(b) and notes 24 and 28 within the going concern period (September 2025, being the earliest expected settlement date), and has considered the impact of the claim on the Group as part of this review. In June 2024, Laing O'Rourke Australia Construction Pty Ltd made an on-account and without admission payment of AUD$72m (£36m) in respect of the ongoing arbitration referred to in note 24. This is reflected within the 'management case' and will reduce the Group's provision recognised in relation to the arbitration in FY25 and the quantum of the forecast settlement in FY26;
- Work-winning continues to reflect current expectations in terms of timing and margin and is in line with average win rates in previous years;
- Continued support of our supply chain in terms of product material, labour supply and flexibility in payment terms. Based on our detailed assessment, our supply chain management, direct delivery model and experience to date, disruption to the supply of materials to projects and shortages of labour, if experienced, is expected to be able to be accommodated within existing project programmes or programme contingencies; and
- The underlying relevant market drivers continue as expected for construction work in infrastructure, nuclear and green energy, healthcare, science and research, data centres, defence, justice and rail.

The Board's 'management case' forecast does not anticipate any breaches of banking covenants relating to the UK RCF in the period to 31 March 2026 and this forecast delivers a comfortable level of Group operating cash liquidity headroom across the same period in each of the UK, Australia and Middle East businesses. Furthermore, it is assumed that availability of cross-Group funding arrangements between Australia and the UK would continue to be possible if required, notwithstanding that it is subject to a notification requirement as a result of the claim in Australia as described in note 2.27(b) and described above.

In addition to consideration of its 'management case' most likely outcome, the directors have also considered a number of downside scenarios and mitigating actions in light of the potential uncertainties created by ongoing global and governmental challenges and turbulence, the timing and quantum of provisions described in note 24, supply chain disruption risk and the impact of any contingent liabilities or legacy disputes (see note 28). These scenarios have been prepared using certain key assumptions, including a review of compliance with financial covenants predominantly in the UK and liquidity headroom across the Group as a whole and all three countries individually. Of these downside scenarios, the severe but plausible scenario described further below is the most severe, although it does include mitigation that is within management's control.

Key assumptions in the Group's severe but plausible downside scenario include:

- Lower revenue and trading volumes resulting in weaker margins and reduced working capital – notably:
  - All work to find delayed by six months across FY25 and FY26 together with certain specific project risks in the UK; and
  - All work to find reduced by 30 per cent across FY25 and FY26 in the Australia Hub.
- Certain specific project risks and risks to cash generation initiatives; and
- A plausible downside cash outflow assumption associated with the provision described in note 24.

Mitigating actions under management's control that would be taken and have been assumed in the severe but plausible downside scenario are:

- Reviewing operating structure requirements as a result of lower volume;
- Reducing discretionary operating spend in FY25 and FY26;
- Delaying the repayment of intercompany loans to preserve liquidity in the UK where the headroom is tightest;
- Delaying any discretionary reward spend; and
- Delaying non-essential capital expenditure.

The overall net impact of the above downside assumptions and mitigating actions results in an approximately £170m cash deterioration during FY25 and FY26. Group cash headroom is in excess of £95m throughout the period in the sever but plausible downside scenario and is tight when reviewed in the UK only downside scenario but is still compliant with the UK minimum headroom requirements. EBITDA covenants in the UK, which are assessed on a rolling twelve month basis. Also continue to have headroom in the downside scenario with a tight point at March 2025 and December 2025.

Further actions that could be taken in the event of a severe but plausible downside but have not been assumed in the model are:

- Further reduction in discretionary spend and non-essential capital expenditure;
- Further actions to manage working capital; and
- Reductions in headcount.

Even under the severe but plausible downside scenario, whilst the UK business covenant headroom is limited at certain points and the repayment of intercompany loans is extended beyond the expected settlement date reflected in the base case, there is no forecast breach of UK covenants that would result in an Event of Default under facilities, and sufficient liquidity is maintained across the Group.

Outside of the mitigations entirely within the Group's control, as summarised above, in the event of a severe deterioration in trading or other threat to the Group's liquidity or covenant headroom, the directors would also seek to:

- Dispose of specific assets; and
- Raise additional external funding to supplement the modest £35.0m RCF, including further refinancing of Group's plant and machinery assets.

Going concern (continued)

In addition, the directors have also assessed the extent of downside that would be required for liquidity to drop below zero (a reverse stress-test scenario):

- This considers the revenue reduction required versus the 'management case' in order for liquidity to drop below zero during the period to March 2026. This would require revenue to reduce or be delayed by approximately £1.9bn across FY25 and FY26 (a 26 per cent reduction or delay in revenue compared with the management case), with resultant loss of margin, with no mitigation; and
- A reduction in revenue of approximately £600m post mitigations would be required for a sustained breach of the minimum liquidity covenant under the UK RCF.

The directors have carefully considered the likelihood of the above range of scenarios and remain confident that the Group is well positioned to deliver its management case forecast in light of the following:

- Laing O'Rourke's investment in developing sector-leading modern methods of construction (MMC) capability, its proven track record against a challenging market backdrop, a lower inflationary environment, integrated delivery model, strong client relationships and engagement and resilience to supply chain risk ensure that it is well positioned to continue to win work;
- The current order book for the Group is broadly in line with the FY24 year end position at £10.2bn (as at 31 July 2024) as a result of continued work-winning success in both the Europe and Australia hub. As at 31 July 2024, the Group has 97 per cent of its expected FY25 revenue either secured or anticipated and 89 per cent of its expected FY26 revenue is at the secured, anticipated or preferred bidder stage; and
- Cash flows in the five months ended 31 August 2024 are materially in line with the management case forecast for the Group.

The Board has carefully considered those factors likely to affect the Group's future development, performance, and financial position as outlined above, in relation to the ability of the Group to operate within its current and foreseeable resources, both financial and operational.

Based on this assessment, the directors have a reasonable expectation that the Group has adequate resources to continue in existence and pay its debts as they fall due in the period to 31 March 2026 and there are no material uncertainties that may cast significant doubt on the Group's going concern status. However, given the limited headroom in the UK cashflows at certain points within the severe but plausible downside scenario, the directors consider this to be a key judgement for the Group.

The Group has, therefore, continued to adopt the going concern basis of accounting in preparing the Group's financial statements. The financial statements do not, therefore, include the adjustments that would result if the Group were unable to continue as a going concern.

Refer to note 2.27(e) relating to going concern.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable Jersey law and International Financial Reporting Standards as adopted by the European Union.

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 the Company and of the profit or loss of the Group and the Company for that year. In preparing the financial statements, the directors are responsible for:

- selecting suitable accounting policies and then applying them consistently;
- stating whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- making judgements and accounting estimates that are reasonable and prudent; and
- preparing the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors confirm that they have complied with all of the above requirements in preparing the financial statements.

The directors are responsible for ensuring that the financial statements comply with the Companies (Jersey) Law 1991 and for safeguarding the assets of the Group and the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors and disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the Group's and the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's and the Company's auditors are aware of that information.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office as auditors of the Group.

Approval

This report was approved by the Board on 7 September 2024 and signed on its behalf by:

Rowan Baker
DIRECTOR

Cathal O'Rourke
DIRECTOR

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAING O'ROURKE CORPORATION LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Laing O'Rourke Corporation Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2024 and of the group's profit, the company's loss and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted in the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the consolidated and company statements of financial position as at 31 March 2024; the consolidated and company income statements, the consolidated and company statements of comprehensive income, the consolidated and company statements of cash flows and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – valuation of provision and disclosures in relation to a dispute (applicable to the group financial statements only)

In forming our opinion on the group financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2.27 (b) to the group financial statements, and the valuation of the provision of £137.9m (AUD$266.2m) (2023: £143.7m (AUD$254.5m)) recognised, in relation to the claim for payment received from the counterparty to a contract terminated during the financial year 2017. The resolution of the claim remains subject to private arbitration, which is ongoing and the outcome of which is subject to a high degree of estimation uncertainty.

Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of environmental legislation, health and safety legislation, data protection legislation, anti-bribery and corruption legislation, employment laws and construction laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies (Jersey) Law 1991 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management and the Group's internal legal counsel, including consideration of potential instances of non-compliance with laws and regulation and fraud;
- Assessment of matters reported through the Group's whistleblowing helpline and the results of management's investigation of such matters;
- Obtaining legal letters from the Group's external legal advisers in respect of certain litigation and claims, where considered necessary;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Substantive testing of journal entries which met a defined risk criteria, focusing on where and how fraud could arise; and
- Challenging assumptions and judgements made by management in its accounting estimates or judgements, in particular in relation to contract accounting, disputes and latent defects liabilities.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies (Jersey) Law 1991 exception reporting
Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Simon Morley
FOR AND ON BEHALF OF

PricewaterhouseCoopers LLP
Chartered accountants

LONDON, 8 September 2024

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2024

	Note	Pre-exceptional items 2024 £m	Exceptional items (note 5) 2024 £m	Total 2024 £m	Pre-exceptional items 2023 £m	Exceptional items (note 5) 2023 £m	Total 2023 £m
Revenue including share of joint ventures and associates	3	**4,327.4**	**–**	**4,327.4**	3,638.0	(33.3)	3,604.7
Share of revenue of joint ventures and associates		**(337.8)**	**–**	**(337.8)**	(263.7)	–	(263.7)
Group revenue[1]	3	**3,989.6**	**–**	**3,989.6**	3,374.3	(33.3)	3,341.0
Cost of sales		**(3,735.4)**	**(24.4)**	**(3,759.8)**	(3,264.4)	(143.7)	(3,408.1)
Gross profit/(loss)		**254.2**	**(24.4)**	**229.8**	109.9	(177.0)	(67.1)
Administrative expenses		**(193.9)**	**(11.2)**	**(205.1)**	(201.7)	(18.1)	(219.8)
Other operating income	8	**15.0**	**–**	**15.0**	10.3	–	10.3
Group operating profit/(loss)		**75.3**	**(35.6)**	**39.7**	(81.5)	(195.1)	(276.6)
Loss on disposal of operations		**(1.5)**	**–**	**(1.5)**	–	–	–
Share of post-tax profits of joint ventures and associates	15	**1.8**	**–**	**1.8**	2.7	–	2.7
Profit/(loss) from operations	6	**75.6**	**(35.6)**	**40.0**	(78.8)	(195.1)	(273.9)
Finance income	9	**11.4**	**–**	**11.4**	5.2	–	5.2
Finance expense	10	**(29.0)**	**(4.3)**	**(33.3)**	(19.4)	–	(19.4)
Net finance expense		**(17.6)**	**(4.3)**	**(21.9)**	(14.2)	–	(14.2)
Profit/(loss) before tax		**58.0**	**(39.9)**	**18.1**	(93.0)	(195.1)	(288.1)
Tax	5, 11	**(21.1)**	**10.6**	**(10.5)**	33.3	58.3	91.6
Profit/(loss) for the year		**36.9**	**(29.3)**	**7.6**	(59.7)	(136.8)	(196.5)

1. Group revenue represents revenue as defined under IFRS 15 Revenue from Contracts with Customers.

The notes on pages 73 to 119 form an integral part of these consolidated financial statements.

COMPANY INCOME STATEMENT

for the year ended 31 March 2024

	Note	**Pre-exceptional items 2024 £m**	**Exceptional items (note 5) 2024 £m**	**Total 2024 £m**	Pre-exceptional items 2023 £m	Exceptional items (note 5) 2023 £m	Total 2023 £m
Revenue	3	**0.6**	**–**	**0.6**	0.5	–	0.5
Cost of sales		**–**	**–**	**–**	–	–	–
Gross profit		**0.6**	**–**	**0.6**	0.5	–	0.5
Administrative expenses		**(5.2)**	**–**	**(5.2)**	(5.4)	–	(5.4)
Dividend income		**3.6**	**–**	**3.6**	14.8	–	14.8
(Loss)/profit from operations	6	**(1.0)**	**–**	**(1.0)**	9.9	–	9.9
Finance expense	10	**–**	**–**	**–**	(5.7)	–	(5.7)
(Loss)/profit before tax		**(1.0)**	**–**	**(1.0)**	4.2	–	4.2
Tax		**–**	**–**	**–**	–	–	–
(Loss)/profit for the year		**(1.0)**	**–**	**(1.0)**	4.2	–	4.2

The notes on pages 73 to 119 form an integral part of the parent company financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2024

	Note	Pre-exceptional items 2024 £m	Exceptional items (note 5) 2024 £m	Total 2024 £m	Pre-exceptional items 2023 £m	Exceptional items (note 5) 2023 £m	Total 2023 £m
Profit/(loss) for the year		**36.9**	**(29.3)**	**7.6**	(59.7)	(136.8)	(196.5)
Other comprehensive (expense)/income:							
Items that may be subsequently reclassified to profit or loss:							
Exchange differences on translating foreign operations		**(7.1)**	**–**	**(7.1)**	(9.2)	–	(9.2)
Recycled foreign currency translation reserve due to dissolution of overseas branches		**1.5**	**–**	**1.5**	–	–	–
Other comprehensive expense for the year, net of tax	11	**(5.6)**	**–**	**(5.6)**	(9.2)	–	(9.2)
Total comprehensive income/ (expense) for the year		**31.3**	**(29.3)**	**2.0**	(68.9)	(136.8)	(205.7)

Items disclosed in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 11.

The notes on pages 73 to 119 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2024

	Note	**Pre-exceptional items 2024 £m**	**Exceptional items (note 5) 2024 £m**	**Total 2024 £m**	Pre-exceptional items 2023 £m	Exceptional items (note 5) 2023 £m	Total 2023 £m
(Loss)/profit for the year		**(1.0)**	**–**	**(1.0)**	4.2	–	4.2
Other comprehensive (expense)/ income:							
Other comprehensive (expense)/ income for the year		**–**	**–**	**–**	–	–	–
Other comprehensive (expense)/ income for the year, net of tax		**–**	**–**	**–**	–	–	–
Total comprehensive (expense)/ income for the year		**(1.0)**	**–**	**(1.0)**	4.2	–	4.2

The notes on pages 73 to 119 form an integral part of the parent company financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2024

	Note	2024 £m	Restated[1] 2023 £m
Assets			
Non-current assets			
Intangible assets	12	**344.7**	340.2
Investments in joint ventures and associates	15	**13.2**	14.1
Loans to joint ventures	15	**8.0**	8.0
Property, plant, and equipment	16	**165.1**	107.4
Right-of-use assets	17	**200.6**	230.5
Deferred tax assets	25	**124.6**	142.2
Trade and other receivables[1]	19	**56.5**	47.9
Contract assets	18	**50.4**	42.1
Total non-current assets		**963.1**	932.4
Current assets			
Inventories	20	**25.8**	29.2
Contract assets	18	**365.1**	330.9
Trade and other receivables	19	**159.7**	208.7
Current tax assets		**15.2**	20.8
Assets classified as held-for-sale	16	**2.0**	–
Cash and cash equivalents (excluding bank overdrafts)	21	**446.7**	428.1
Total current assets		**1,014.5**	1,017.7
Total assets		**1,977.6**	1,950.1
Liabilities			
Current liabilities			
Borrowings	22	**(75.1)**	(67.9)
Contract liabilities	18	**(277.6)**	(321.6)
Trade and other payables	23	**(795.3)**	(800.5)
Provisions[1]	24	**(214.6)**	(169.3)
Current tax liabilities		**(0.4)**	(0.1)
Total current liabilities		**(1,363.0)**	(1,359.4)
Non-current liabilities			
Borrowings	22	**(190.5)**	(172.9)
Contract liabilities	18	**(0.4)**	(4.0)
Trade and other payables	23	**(47.2)**	(46.7)
Provisions[1]	24	**(175.5)**	(161.7)
Deferred tax liabilities	25	**–**	(6.4)
Total non-current liabilities		**(413.6)**	(391.7)
Total liabilities		**(1,776.6)**	(1,751.1)
Net assets		**201.0**	199.0
Equity			
Share capital[2]	26,27	**0.0**	0.0
Share premium	27	**344.6**	344.6
Foreign currency translation reserve	27	**16.9**	22.5
Accumulated losses	27	**(160.5)**	(168.1)
Total equity		**201.0**	199.0

1. The consolidated statement of financial position has been restated in FY23. See note 2.02 for more details.
2. These financial statements are rounded to the nearest £100,000. Share capital of the parent company of the Group as at 31 March in both years was £6,211.

The financial statements were approved and authorised for issue by the Board on 7 September 2024 and were signed on its behalf by:

Rowan Baker
Director

Cathal O'Rourke
Director

The notes on pages 73 to 119 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 March 2024

	Note	2024 £m	Restated[2] 2023 £m
Assets			
Non-current assets			
Investments in subsidiaries	14	**478.9**	478.9
Property, plant, and equipment	16	**0.3**	0.4
Trade and other receivables[2]	19	**–**	–
Total non-current assets		**479.2**	479.3
Current assets			
Cash and cash equivalents		**–**	0.1
Total current assets		**–**	0.1
Total assets		**479.2**	479.4
Liabilities			
Current liabilities			
Borrowings[2]	22	**(132.5)**	(126.7)
Trade and other payables[2]	23	**(7.1)**	(12.1)
Total current liabilities		**(139.6)**	(138.8)
Net assets		**339.6**	340.6
Equity			
Share capital[1]	26, 27	**0.0**	0.0
Share premium	27	**344.6**	344.6
Accumulated losses	27	**(5.0)**	(4.0)
Total equity		**339.6**	340.6

1. These financial statements are rounded to the nearest £100,000. Share capital of the parent company as at 31 March in both years was £6,211.
2. Trade and other receivables and certain trade and other payables have been reclassified in FY23 to borrowings as all amounts are owed to an entity within the Group whose principal activity is funding. See note 2.02 for further details.

The financial statements were approved and authorised for issue by the Board on 7 September 2024 and were signed on its behalf by:

Rowan Baker
Director

Cathal O'Rourke
Director

The notes on pages 73 to 119 form an integral part of the parent company financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2024

	Note	2024 £m	Restated[2] 2023 £m
Cash flows from operating activities			
Profit/(loss) before tax		**18.1**	(288.1)
Adjustments for:			
Depreciation and amortisation	6	**56.7**	51.9
Non-cash exceptional items		**27.1**	–
Revenue impact of significant financing component		**(8.4)**	–
Loss/(profit) on disposal of property, plant, and equipment and right-of-use assets	6	**3.2**	(3.3)
Impairment of property, plant, and equipment - exceptional	16	**0.6**	–
Loss on disposal of intangible assets		**0.5**	2.3
Net finance costs (pre-exceptional)		**17.6**	14.2
Research and development expenditure credit	8	**(14.6)**	(9.7)
Share of post-tax profits of joint ventures and associates	15	**(1.8)**	(2.7)
Decrease/(increase) in trade and other receivables (restated[2])		**30.8**	(53.2)
Increase in contract assets[1]		**(48.2)**	(99.4)
Decrease/(increase) in inventories		**3.0**	(3.5)
Increase in trade and other payables		**(5.2)**	229.8
Increase in provisions[1] (restated[2])		**61.2**	232.5
Decrease in contract liabilities		**(48.3)**	(7.3)
Other		**0.3**	–
Cash generated from operations		**92.6**	63.5
Interest paid		**(18.2)**	(19.4)
Tax received/(paid)		**19.6**	(1.7)
Net cash generated from operating activities		**94.0**	42.4
Cash flows used in investing activities			
Purchase of property, plant, and equipment	16	**(43.8)**	(20.0)
Purchase of intangible assets	12	**(12.7)**	(7.3)
Capital injections in joint ventures	15	**(3.3)**	(4.2)
Proceeds from sale of property, plant, and equipment		**4.1**	8.9
Interest received		**9.6**	5.2
Distributions received from joint ventures and associates	15	**2.5**	0.3
Net cash used in investing activities		**(43.6)**	(17.1)
Cash flows used in financing activities			
Proceeds from new bank loans		**22.2**	7.3
Repayments of bank loans		**(19.9)**	(5.7)
Proceeds from refinancing existing property, plant, and equipment		**19.9**	5.4
Finance lease repayments (principal)		**(46.9)**	(50.8)
Dividends paid to non-controlling interests		**–**	(0.1)
Net cash used in financing activities		**(24.7)**	(43.9)
Net increase/(decrease) in cash and cash equivalents		**25.7**	(18.6)
Cash and cash equivalents at beginning of year		**428.1**	456.1
Effect of exchange rate fluctuations on cash held		**(10.5)**	(9.4)
Cash and cash equivalents at end of year		**443.3**	428.1

1. Included within these movements are non-cash exceptional costs of £nil (FY23: £33.3m) in contract assets and £6.1m (FY23: £143.7m) in provisions relating to the disputed contract in the Group's Australia Hub.
2. Management have grossed up the insurance technical reserve liability as it had previously been reported net of the expected insurance asset recovery within current provisions. Decrease/(increase) in trade and other receivables was increased from £(33.1)m by £20.1m to £(53.2)m, and increase in provisions was increased from £212.4m by £20.1m to £232.5m. See note 2.02 for further details.

The notes on pages 73 to 119 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 March 2024

	Note	2024 £m	Restated[1] 2023 £m
Cash flows from operating activities			
(Loss)/profit before tax		**(1.0)**	4.2
Adjustments for:			
Dividend income		**(3.6)**	(14.8)
Finance cost	10	**–**	5.7
Depreciation		**0.1**	–
(Decrease)/increase in trade payables		**(5.0)**	3.4
Decrease in deferred income		**–**	(0.1)
Cash (used in)/generated from operations		**(9.5)**	2.1
Dividends received		**3.6**	1.3
Net cash (used in)/generated from operating activities		**(5.9)**	3.4
Cash flows generated from financing activities[1]			
Advances from group undertakings		**5.8**	0.3
Net cash generated from financing activities[1]		**5.8**	0.3
Net change in cash and cash equivalents		**(0.1)**	–
Cash and cash equivalents at beginning of year		**0.1**	0.1
Cash and cash equivalents at end of year		**–**	0.1

1. Cash flows used in investing activities and net cash used in investing activities in FY23 have been reclassified to financing activities to better reflect the nature of the cash flow as they relate to a loan with a counterparty whose principal activity is funding. See note 2.02 for further details.

The notes on pages 73 to 119 form an integral part of the parent company financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2024

	Note	Share capital[1] £m	Share premium £m	Foreign currency translation reserve[2] £m	Retained earnings/ (accumulated losses) £m	**Total shareholders' equity £m**	Non-controlling interests £m	**Total equity £m**
At 1 April 2022		0.0	344.6	31.7	28.4	404.7	0.1	404.8
Loss for the year		–	–	–	(196.5)	(196.5)	–	(196.5)
Other comprehensive expense after tax		–	–	(9.2)	–	(9.2)	–	(9.2)
Total comprehensive expense for the year		–	–	(9.2)	(196.5)	(205.7)	–	(205.7)
Dividends paid	27	–	–	–	–	–	(0.1)	(0.1)
At 31 March 2023		**0.0**	**344.6**	**22.5**	**(168.1)**	**199.0**	**–**	**199.0**
Profit for the year		**–**	**–**	**–**	**7.6**	**7.6**	**–**	**7.6**
Other comprehensive expense after tax		**–**	**–**	**(5.6)**	**–**	**(5.6)**	**–**	**(5.6)**
Total comprehensive (expense)/income for the year		**–**	**–**	**(5.6)**	**7.6**	**2.0**	**–**	**2.0**
At 31 March 2024		**0.0**	**344.6**	**16.9**	**(160.5)**	**201.0**	**–**	**201.0**

1. These financial statements are rounded to the nearest £100,000. Share capital of the parent company as at 31 March in both years was £6,211.
2. The category of other reserves disclosed in FY23 has been renamed as the foreign currency translation reserve as only this reserve has balances from 1 April 2022. This is a presentational change only.

Additional disclosure and details are provided in note 27.

The notes on pages 73 to 119 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2024

	Note	Share capital £m	Share premium £m	Accumulated losses £m	**Total equity £m**
At 1 April 2022		0.0	344.6	(8.2)	336.4
Profit for the year		–	–	4.2	4.2
Other comprehensive income after tax		–	–	–	–
Total comprehensive income for the year		–	–	4.2	4.2
At 31 March 2023		**0.0**	**344.6**	**(4.0)**	**340.6**
Loss for the year		**–**	**–**	**(1.0)**	**(1.0)**
Other comprehensive expense after tax		**–**	**–**	**–**	**–**
Total comprehensive expense for the year		**–**	**–**	**(1.0)**	**(1.0)**
At 31 March 2024		**0.0**	**344.6**	**(5.0)**	**339.6**

1. These financial statements are rounded to the nearest £100,000. Share capital of the parent company as at 31 March in both years was £6,211.

Additional disclosure and details are provided in note 27.

The notes on pages 73 to 119 form an integral part of the parent company financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

1 General Information

Laing O'Rourke Corporation Limited (the 'Company') is a private limited company incorporated and domiciled in Jersey. The Group prepares consolidated and company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and Companies (Jersey) Law 1991. The address of the registered office is given on page 56.

The principal activities of the Group are that of mixed construction works; see note 2.05 for details of individually material revenue streams. The principal activity of the Company is to hold investments in the Group's operations and trade. The nature of the Company's principal subsidiary companies and their principal activities are set out in note 37 and in the Financial Review on pages 18 to 23. The consolidated financial statements of the Group for the year ended 31 March 2024 comprise the Company and its subsidiaries and the Group's interest in joint arrangements and associates.

2 Material accounting policies

The following accounting policies are those of the Group, unless stated otherwise. Accounting policies specific to the Company are detailed in note 2.29.

2.01 Statement of compliance

The Group consolidated and Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the European Union (Adopted IFRS and IFRS Interpretations Committee (IFRIC) interpretations) and Companies (Jersey) Law 1991.

2.02 Basis of preparation

The consolidated and company financial statements are presented in pounds sterling, rounded to the nearest £100,000. The consolidated financial statements include the results of the parent company, its subsidiary undertakings, and the Group's interest in joint arrangements and associates for the year ended 31 March 2024. The consolidated and company financial statements have been prepared on a going concern basis under the historical cost convention and financial assets and financial liabilities at fair value through profit or loss. The principal accounting policies, which have been consistently applied for all consolidated and equity-accounted entities including subsidiaries, joint arrangements, and associates, are set out below.

Re-presentation and restatement of prior year comparatives

The consolidated statement of financial position as at 31 March 2023 has been restated.

The reasons for the restatements are described below. All have no impact on the Group's profit/(loss), net asset position or net cash flows in the current or prior financial year. Other restatements and representations that do not impact the consolidated statement of financial position are also described in this note.

	Balance at 31 March 2023 (as previously reported) £m	Restatement £m	Balance at 31 March 2023 (restated) £m
Trade and other receivables (non-current)	27.8	20.1	47.9
Other non-current assets	884.5	–	884.5
Total non-current assets	**912.3**	**20.1**	**932.4**
Total current assets	1,017.7	–	1,017.7
Total assets	**1,930.0**	**20.1**	**1,950.1**
Provisions (current)	(133.7)	(35.6)	(169.3)
Other current liabilities	(1,190.1)	–	(1,190.1)
Total current liabilities	**(1,323.8)**	**(35.6)**	**(1,359.4)**
Provisions (non-current)	(177.2)	15.5	(161.7)
Other non-current liabilities	(230.0)	–	(230.0)
Total non-current liabilities	**(407.2)**	**15.5**	**(391.7)**
Total liabilities	**(1,731.0)**	**(20.1)**	**(1,751.1)**
Net assets/ total equity	**199.0**	**–**	**199.0**

Management have grossed up the insurance technical reserve liability as it had previously been reported net of the expected insurance asset recovery within current provisions. Trade and other receivables (non-current) have increased by £20.1m from £27.8m to £47.9m to include an insurance asset recovery, and provisions (current) have increased by £20.1m as a result. The remaining £15.5m increase in provisions (current), which increased the overall balance from £133.7m to £169.3m, was a reallocation of defects provisions from provisions (non-current) to provisions (current). Provisions (non-current) has decreased by £15.5m from £177.2m to £161.7m. The impact of these adjustments at 1 April 2022 was not material.

The Group has also revisited its provisions note, and reclassified certain balances within that note, as well as restated certain balances as described above. Within note 24 'Provisions' the following have been represented:

- Contract provisions has been disaggregated into defects provisions and onerous contract provisions in note 24 'Provisions';
- Joint venture provisions have been grouped with other provisions in note 24 'Provisions'; and
- Insurance technical provisions have been renamed as claims and litigation and £2.5m has been reclassified to other provisions, £15.5m to defects provisions and £6.1m to employee provisions at 31 March 2023.

2 Material accounting policies (continued)

2.02 Basis of preparation (continued)

Re-presentation and restatement of prior year comparatives (continued)

These changes are to enable greater understanding of the categories of provisions the Group is experiencing and to better reflect the underlying nature of the previously described insurance technical provisions. The following have been restated at 1 April 2022 on the consolidated statement of financial position and in the related notes:

- The opening balance for defects provisions at FY22 in note 24 has been restated from £49.2m to £63.9m due to a reallocation of £14.7m from insurance technical reserves;
- The opening balance for other provisions at FY22 in note 24 has been restated from £11.8m to £14.1m which is a reallocation of £2.3m from insurance technical reserves for employee related claims and other public liability claims; and
- The opening balance for claims and litigation provisions (previously described as insurance technical provisions) at FY22 in note 24 has been restated from £30.6m to £6.7m which is a reallocation of £23.9m of the previous insurance technical reserves.

The following have been restated at 31 March 2023 in the consolidated statement of financial position and related notes:

- Defects provisions in note 24 have been restated from £51.9m by £35.6m to £87.5m which is a reallocation of £15.5m from insurance technical reserves and a £20.1m gross up of the provision for the associated insurance asset recovery;
- Trade and other receivables due after more than one year have been restated from £27.8m to £47.9m which represents a gross up for the associated insurance asset recovery of £20.1m;
- £15.5m of defects provisions in FY23 have been restated from non-current to current in note 24;
- Within note 23 'Trade and other payables' amounts owed to related parties of £2.3m previously included within accruals have been included within the trade payables for 2023; and
- The table for sales of goods and services provided to related parties within note 33 'Related parties transactions and balances' now includes a balance of £7.2m previously omitted in error with a joint venture that is domiciled in Canada and included within trade and other receivables.

Furthermore, plant, equipment, and vehicles has been disaggregated in note 16 'Property, Plant, and Equipment' and note 17 'Right-of-Use Assets' to provide better visibility of the Group's assets.

In addition to the above restatements and reclassifications, the Group has also:

Restated revenue earned at a point in time, with £27.0m removed from over time and added to point in time in note 3 'Revenue' for the year ended 31 March 2023. In addition, within note 4 'Trading analysis', the Europe Hub and Corporate centre results have been restated by £19.0m at 31 March 2023 to reflect the FY24 approach to allocation of shared service costs. Management have also restated two rows contained within the consolidated statement of cash flows for the year ended 31 March 2023 which were the insurance technical reserve liability and insurance assets recovery. Decrease/(increase) in trade and other receivables has increased by £(20.1)m from £(33.1)m to £(53.2)m. Increase in provisions has increased by £20.1m from £212.4m to £232.5m. The change has not affected the net cash flows in either year.

The Parent Company statement of financial position as at 31 March 2023 has also been restated in FY23 to offset various loan balances owed to another Group entity that has funding as its principal activity. Non-current trade and other receivables was reduced by £93.8m to £nil from £93.8m, current borrowings was reduced by £75.3m to £126.7m from £202.0m, and trade and other payables was reduced by £18.5m to £12.1m from £30.6m. At 31 March 2022 non-current trade and other receivables was reduced by £76.9m to £nil from £76.9m, current borrowings was reduced by £62.1m to £134.1m from £196.2m, and trade and other payables was reduced by £14.8m to £9.0m from £23.8m.

Parent Company cash flows used in investing activities and net cash used in investing activities in FY23 have been reclassified to financing activities to better reflect the nature of the cash flow as they relate to a loan with a counterparty whose principal activity is funding. There have also been immaterial amendments to certain other notes in the financial statements as described in the relevant note.

Going concern

The Board has carefully considered those factors likely to affect the Company and the Group's future development, performance, and financial position in relation to the ability to operate within their current and foreseeable resources – both financial and operational. Both the Company and the Group have sufficient financial resources, committed banking facilities, secured revenue, and a strong order book and, for these reasons the directors continue to adopt the going concern basis in preparing the consolidated financial statements. Refer to note 2.27(e) and pages 58 to 60 of the consolidated management report relating to going concern.

Accounting standards

The following standards, amendments, and interpretations became effective in the year ended 31 March 2024 and have been adopted:

a) IFRS 17, Insurance Contracts as amended in December 2021;

b) Amendments to IAS 12 Income Taxes: Deferred tax related to Assets and Liabilities arising from a Single Transaction;

c) Amendments to IAS 12 Income Taxes: International Tax Reform — Pillar Two Model Rules; and

d) Narrow-scope amendments to IAS 1, Practice Statement 2 and IAS 8.

None of these new standards had a material impact on the Group or Company financial statements.

2 Material accounting policies (continued)

2.02 Basis of preparation (continued)

Accounting standards (continued)

The directors have considered recently published IFRSs, new interpretations, and amendments to existing standards that are mandatory for the Group's accounting periods commencing on or after 1 April 2024.

Standards that are not yet effective and have not been adopted early by the Group are:

a) Amendments to IAS 1 presentation of non-current liabilities with covenants;

b) Amendment to IFRS 16 lease liability in a sale and leaseback transaction;

c) Amendment to IAS 7 and IFRS 7 supplier finance; and

d) Amendments to IAS 21 lack of exchangeability.

The Group is in the process of assessing the effect of the standards above on the consolidated and Company financial statements but they are not expected to have a material impact. The Group has chosen not to adopt any of the above standards and interpretations earlier than required.

2.03 Basis of consolidation

a) The consolidated financial statements include the financial statements of subsidiaries controlled by the Company. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are deconsolidated from the date control ceases.

   The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group falling within the scope of IFRS 3, 'Business Combinations'. The consideration for the acquisition of a subsidiary is the fair values of the assets transferred, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

   The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between the fair value of the consideration received and the carrying amount of the assets less liabilities of the subsidiary.

b) Associates are operations over which the Group has the power to exercise significant influence but not control, generally accompanied by a share of between 20 per cent and 50 per cent of the voting rights. Associates are accounted for using the equity method and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement. If the Group's share of losses in an associate equals its investment, the Group does not recognise further losses, unless it has incurred obligations to make payments on behalf of the associate, in which case a provision is recognised.

c) Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of each joint arrangement and has determined some to be joint operations and some to be joint ventures, as detailed in note 37.

   i) The Group accounts for its share of the assets, liabilities, revenue, and expenses in a joint operation under each relevant heading in the income statement and the statement of financial position.

   ii) Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations to make payments on behalf of the joint venture.

Intra-Group balances and transactions together with any unrealised gains arising from intra-Group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with jointly controlled entities and jointly controlled operations are eliminated to the extent of the Group's interest in the entity. The Group's share of unrealised gains arising from transactions with associates is eliminated against the investment in the associate. The Group's share of unrealised losses is eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.04 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates ('the functional currency'). The consolidated financial statements are presented in pounds sterling, which is the functional and presentation currency of Laing O'Rourke Corporation Limited.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting

2 Material accounting policies (continued)

2.04 Foreign currency translation (continued)

Transactions and balances (continued)

from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities such as equities held at 'fair value through profit or loss' are recognised in the income statement as part of the fair value gain or loss.

Group companies

The results and financial position of all Group entities (none of which has the functional currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;

ii) Income and expenses for each income statement are translated at average exchange rates for the period; and

iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of, or sold, exchange differences that were recorded in other comprehensive income are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.05 Revenue recognition

The Group recognises revenue when it transfers control over a product or service to its customer. Revenue is measured at the fair value of the consideration received or receivable, net of sales tax, for goods and services supplied to external customers, and excludes amounts collected on behalf of third parties.

The primary revenue stream relates to work on long-term construction contracts and accounts for over 90 per cent of the Group's revenue.

The Group has an integrated supply chain model, offering wide ranging construction related activities. Depending on the nature of the product or service delivered and the timing of when control is passed onto the customer, the Group will account for the revenue over time or at a point in time.

a) Long-term contracts (including construction)

Revenue recognition is based on the satisfaction of individual performance obligations and for construction and service contracts, these obligations are satisfied over time and, therefore, contract revenue is recognised by reference to the stage of completion of each contract, as measured by the proportion of costs incurred as at the balance sheet date compared with the total expected costs of the contract, as set out in the accounting policy for construction and service contracts.

Where consideration is not specified in the contract with a customer, and is therefore subject to variability, the Group estimates the amount of consideration to be received from its customer. The measurement of variable consideration is subject to the constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

Additionally, where a modification to an existing contract occurs, the Group assesses the nature of the modification and whether it represents a new separate performance obligation or whether it is a modification to the existing performance obligation.

The Group does not expect to have any contracts where the period between the request for payment for the transfer of goods and services to the customer and the payment by the customer exceeds one year. As a consequence, the Group does not adjust its transaction price for the time value of money.

Any consideration received from the customer in advance of work being completed is deferred and recognised as revenue as the performance obligations in the contract that benefit the customer are satisfied.

Revenue from construction and certain service activities is recognised over time and the Group uses the input method to measure progress of delivery.

b) Manufacturing

Revenue from manufacturing activities is recognised at a point in time when title has passed to the customer.

c) Plant hire

Revenue from plant hire activities is recognised over time as performance obligations are satisfied. Variable consideration is assessed on an individual contract basis according to the circumstances and terms of each project and only recognised to the extent that it is highly probable not to significantly reverse in the future. The Group also recognises revenue from sale of equipment at a point in time when control is transferred.

d) Services revenue

Revenue from other services contracts is recognised over time as performance obligations are satisfied. Variable consideration is assessed on an individual contract basis according to the circumstances and terms of each project and only recognised to the extent that it is highly probable not to significantly reverse in the future. The Group also recognises revenue on specific contracts at a point in time when control is transferred.

The Company recognises revenue in respect of parent company guarantee services provided to its subsidiaries. This revenue is recognised over time.

2 Material accounting policies (continued)

2.06 Construction and service contracts

When the outcome of individual contracts can be estimated reliably, contract revenue is recognised by reference to the stage of completion of each contract, as measured by the proportion of costs incurred as at the balance sheet date compared with the estimated total cost of the contract. Contract costs are expensed as incurred. Where multiple contracts are signed to deliver a single commercial objective, as agreed at the outset, elements such as initial works and main works contracts are treated as separate contracts, but are viewed as representing a single performance obligation. Accordingly, revenues and costs from these contracts are accounted for using the cumulative catch-up method, with revenue recognised based on costs incurred as a proportion of total expected costs across the contracts on an aggregated basis. Management has made this judgement on the basis that work performed under such separate legal contracts constitutes a single performance obligation, as it does not consider that distinct goods or services are provided as a result of work performed under each contract from which the customer can derive an identifiable benefit – i.e. the customer only benefits from the output of the contracts on a combined basis. This judgement is separately evaluated for every contract to ensure that the facts and circumstances unique to each contract are considered and revenue is accounted for appropriately.

Provision is made for all known or expected losses on individual contracts once such losses are foreseen. Incremental costs required to satisfy contract obligations are considered in this assessment. IAS 37 also requires an assessment of other costs directly relating to fulfilling contracts to be included in the provision for all known or expected losses as well as when assessing whether a contract is loss making.

Where costs incurred plus recognised profits less recognised losses exceed progress billings, the balance is recognised as a contract asset. Where progress billings exceed costs incurred plus recognised profits less recognised losses, the balance is recognised as a contract liability. Contract assets include retentions and are classified as a current asset unless recovery is due in more than one year.

Estimates of the final outcome on each contract may include cost contingencies to take account of specific risks within each contract. Cost contingencies are reviewed on a regular basis throughout the life of the contract and are adjusted where appropriate. However, the nature of the risks on projects is such that such risks often cannot be resolved until the end of the project and therefore may not reverse until the end of the project. The estimated final outcome on projects is continually reviewed, recoveries from insurers are assessed (and only recognised if it is virtually certain that these will be received) and adjustments are made where necessary.

Revenue in respect of variations to contracts and incentive payments is recognised when there is an enforceable right to payment and it is highly probable it will be agreed by the customer. Variable consideration is assessed on an individual contract basis according to the circumstances and terms of each project and only recognised to the extent that it is highly probable not to significantly reverse in the future.

2.07 Pre-contract bid costs

Pre-contract costs are expensed as incurred.

2.08 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the Group will comply with all attached conditions and that the grant will be received. Government grants are recognised in the income statement over the period necessary to offset them against the costs that they are intended to compensate.

2.09 Trading analysis

The Group considers its Board of Directors to be the chief operating decision maker and therefore the segmental disclosures provided in note 4 are aligned with the monthly reports provided to the Board of Directors. Trading analysis information is therefore based on the Group's internal reporting structure of two operating hubs and a corporate centre. Further information on the business trading activities is set out in the operating overview on pages 10 to 11. Trading analysis results present the directly attributable contribution of the different hubs to the results of the Group. Operational transactions between hubs are conducted at arm's length market prices.

2.10 Pension costs

The Group operates defined contribution pension schemes for staff. The contributions paid by the Group and the employees are invested in the pension fund within 30 days following deduction. Once the contributions have been paid, the Group, as employer, has no further payment obligations. The Group's contributions are charged to the income statement in the year to which they relate.

2.11 Profit/(loss) from operations

Profit/(loss) from operations is stated after the Group's share of the post-tax results of equity accounted joint venture entities and associates, but before finance income and finance expense.

2.12 Finance income/(expense)

Finance income/(expense) is recognised using the effective interest method. In calculating finance income/(expense), the effective interest rate is applied to the gross carrying amount of the asset, when the asset is not impaired, or to the amortised cost of the liability for interest expense. For financial assets that have been impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired the interest income calculation reverts to the gross carrying amount.

2.13 Exceptional items

Exceptional items are defined as income or expenditure relating to one-off events which, in the opinion of the directors, are material, not expected to recur and unusual in nature or of such significance that they require separate disclosure on the face of the consolidated income statement in accordance with IAS 1, 'Presentation of Financial Statements'. An assessment is made of events occurring during the year on both a quantitative and qualitative basis to determine which events require separate disclosure because they do not relate to the Group's underlying performance.

2 Material accounting policies (continued)

2.14 Tax

Tax expense represents the sum of the tax currently payable and deferred tax. The current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it also excludes items that are neither taxable nor deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided on temporary differences arising from investments in subsidiaries, associates, and joint arrangements, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred taxes are not provided in respect of temporary differences arising from the initial recognition of goodwill, or from goodwill for which amortisation is not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction. 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. Deferred tax is calculated at the tax rates based on those enacted or substantively enacted at the balance sheet date and are expected to apply when the related asset is realised or liability settled. Deferred tax is charged or credited in the income statement except when it relates to items charged or credited directly to equity, in which case the deferred tax is also included in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.15 Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, associate, or joint venture at the date of acquisition. Separately recognised goodwill is tested annually for impairment and carried at cost less impairment losses.

Goodwill is included when determining the profit or loss on subsequent disposal of the business to which it relates. Goodwill is allocated to cash generating units for the purpose of impairment testing.

Computer software and licences

Other intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is based on the useful lives of the assets concerned, and recognised on a straight-line basis over 2.5 years.

Development costs

Development costs are capitalised as intangible assets only if certain criteria are met in order to demonstrate the asset will generate future economic benefits and that its cost can be reliably measured. Developments costs include IT assets under construction. All other research and development expenditure is recognised in cost of sales or administrative expenses as incurred. Research and development expenditure credits relate to amounts recoverable from HMRC on previously incurred expenditure.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually. Assets that are subject to amortisation or depreciation are reviewed for impairment or reversal of prior impairments when significant circumstances or events indicate a change in the carrying value. For impairment testing, goodwill is allocated to cash-generating units by geographical reporting unit and business segment. Assets are grouped at the lowest level for which there are separately identifiable cash flows.

2.16 Property, plant, and equipment

Property, plant, and equipment are reported at historical cost less accumulated depreciation and any recognised impairment loss. Land is not depreciated. Where parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate items. Cost comprises purchase price and directly attributable costs. Depreciation is calculated on the straight-line method to write down the costs of the assets to their residual values over their estimated useful lives as follows:

Land and buildings	35 years
Plant	10-15 years
Computer and office equipment	2-15 years
Vehicles	2-5 years

The estimated useful life of land and buildings has been changed from 30-50 years to 35 years as this best represents the useful life applied to all land and buildings; there is no impact on depreciation nor the net book value of these assets.

Certain land and buildings were revalued under previous accounting standards. On transition to IFRS, the Group elected to use the revalued amount as deemed cost.

Assets held under right-of-use leases are depreciated over the term of the lease or the estimated useful life of the asset, as appropriate.

Gains and losses on disposal are recognised within cost of sales, administrative expenses, or profit on disposal of property in the income statement based on the nature of the assets disposed of.

2.17 Leases

The Group assesses whether a contract is, or contains, a lease at the inception of the contract. A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2 Material accounting policies (continued)

2.17 Leases (continued)

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost and subsequently depreciated over the lease term. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, at the Group's incremental borrowing rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of less than 12 months and leases of low value assets (below US$5,000). Instead, the Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.18 Financial investments

The Group has classified its financial investments as assets held to collect and to sell, which are recognised at fair value.

Changes in the fair value of financial investments classified as held-for-sale are recorded in the fair value reserve within equity. When these are sold, the fair value adjustments recognised in equity are included in the income statement.

Under the terms of a Private Finance Initiative ('PFI') or similar project, where the risks and rewards of ownership remain largely with the purchaser of the associated services, the Group's interest in the asset is classified within investments in joint ventures as held to collect and to sell under IFRS 9. These investments are measured at fair value through other comprehensive income.

2.19 Inventories

Inventories are stated at the lower of cost and estimated realisable value. Cost comprises the purchase price, net of any discounts received, cost of conversion and other costs involved in bringing the inventories to their present location and condition, such as direct and subcontract labour and overheads. The cost of development land may include borrowing costs. When determining the cost of inventories the Group's operational businesses will apply either the first-in first-out ('FIFO') method or the weighted average cost formula, whichever is relevant for their operation. Inventories are assessed to determine if damage, obsolescence, or other external factors have reduced the ability to recover the cost. When this occurs the Group will write down the inventories to their estimated net realisable value. Net realisable value represents the estimated income less all estimated costs of completion and costs to be incurred in marketing, selling, and distribution.

2.20 Trade and other receivables

The Group has allocated receivables due within 12 months of the balance sheet date to current with the remainder included in non-current.

Trade receivables are initially recorded at fair value and subsequently measured at amortised cost, reduced by an allowance for expected credit losses and appropriate allowances for estimated irrecoverable amounts. Subsequent recoveries of amounts previously written off are credited to the income statement line in which the provision was originally recognised. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are stated at cost. Other receivables also includes insurance recoveries which are recognised where they are deemed to be virtually certain that they will be received by the Group.

2.21 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand, deposits held at call with banks, project bank accounts controlled by the Group, and other short-term highly liquid investments with less than 90 days maturity from the date of acquisition. For the purposes of the cash flow statement, cash and cash equivalents also include bank overdrafts, which are included in borrowings in the statement of financial position.

2.22 Borrowings

Interest-bearing bank loans and overdrafts are recognised initially at fair value net of transaction costs incurred. All borrowings are subsequently stated at amortised cost, with the difference between initial net proceeds and redemption value recognised in the income statement over the period to redemption.

All finance costs of debt, including premiums payable on settlement and direct issue costs, are charged to the income statement on an accruals basis over the term of the instrument, using the effective interest method.

Borrowing costs are interest and other costs that the Group or Company incurs in connection with the borrowing including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Changes in borrowings are assessed for modification or extinguishment in accordance with IFRS 9, with a gain or loss recognised in the income statement where required. In the Company, borrowings are all owed to Group undertakings and this policy also applies to those borrowings.

2.23 Trade and other payables

Trade and other payables are not interest-bearing and are stated at cost.

2 Material accounting policies (continued)

2.24 Provisions

Provisions for claims and litigation, employee long-term service, defects, onerous contracts and other commitments (including legal claims and dilapidations) are recognised at the best estimate of the present value of the expenditures expected to be required to settle the liability. Further information about each of these categories of provision is provided in note 24.

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

2.25 Provision for employees' end of service benefits

In the UAE business only, a provision is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by the employees up to year end. Provision is also made, using actuarial techniques, for the end of service benefits due to employees in accordance with applicable local labour law legislation, or with Laing O'Rourke Group standard employment terms for their periods of service up to year end. Such end of service benefits provision is in lieu of, and is at least equivalent to, that required under the local labour law legislation.

In Australia, liabilities for long service leave which are not expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting year using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting year of high quality corporate bonds with terms and currency that match, as closely as possible, the estimated future cash outflows.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting year, regardless of when the actual settlement is expected to occur.

2.26 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.27 Key judgements and estimation uncertainty

The preparation of financial statements under IFRS requires management to make estimates and assumptions that affect amounts recognised for assets and liabilities at the balance sheet date and the amounts of revenue and the expenses incurred during the reporting period. Actual outcomes may therefore differ from these estimates and assumptions. The estimates and assumptions that have the most significant impact on the carrying value of assets and liabilities of the Group within the next financial year are detailed as follows:

a) Revenue and margin recognition (judgement and estimate)

The Group's revenue recognition and margin recognition policies, which are set out in notes 2.05 and 2.06, are central to the way the Group values and accounts for the work it has carried out in each financial year and have been consistently applied.

Across the Group, 215 construction contracts (FY23: 244) were revenue-generating during the year. Of these 17 (FY23: 17) individually had an impact of £5.0m or greater on operating profit/(loss).

The economic outcomes of construction contracts are principally determined by the contractual terms, including how revenue is calculated based on the contract price (which can include milestone payments, progress-based payments, incentives, and gain-share or pain- share), the type of service being provided/risks being managed (for example traditional contracting or construction management), and the actual operational and financial performance versus forecast (at the time of contract award or subsequently). Other external factors can also have a material impact on performance, such as inflation, aspects of design development, ground conditions, weather, site access, and the performance of subcontractors.

The key judgements and estimates relating to determining the revenue and profit of these material contracts within the Group's accounts are:

- Identification of separate performance obligations or whether all work for a customer represents a single performance obligation;
- Ensuring revenue recognised is highly probable, with specific attention being paid to the estimates of:
  - Recoverability of claims and variations from clients for changes in condition/scope;
  - Revenue receivable in relation to achievement of gain-share (or pain-share), milestones, and other incentive arrangements; and
  - Deductions for any damages levied by a client e.g. for late handover.
- Percentage of completion of the project versus the planned cost programme;
- Achievability of the planned build programme;
- Forecast cost to complete (including contingencies); and
- Allowances for post-practical completion works (including rectification of defects).

Each contract is treated on its merits and is subject to a regular review of the revenue and costs to complete by the project team and senior management. The level of estimation uncertainty in the Group's construction business is mitigated by:

- The processes in place regarding the selection of projects during the bid/work-winning phase;

2 Material accounting policies (continued)

2.27 Key judgements and estimation uncertainty (continued)

a) Revenue and margin recognition (judgement and estimate) (continued)

- The level of experience of management and the Board in delivering projects and accounting for the various types of projects; and
- The processes in place to identify and mitigate issues promptly.

Volatility is also reduced by the effect of managing a significant portfolio of projects.

Nevertheless, the profit recognition in our construction business is a key estimate, due to the variety of contract terms and the inherent uncertainties in any construction project.

The estimation techniques used for revenue and profit recognition on construction contracts require forecasts to be made of the outcome of long-term contracts, which require assessments and judgements to be made on the recovery of pre-contract costs, changes in the scope of work, contract programmes, maintenance and defects liabilities, and changes in costs.

Within its portfolio of contracts in the Europe Hub, the Group has identified major sources of estimation uncertainty where it has made significant judgements on the recovery of income related to variations in scope, delays, and other claims, as well as whether penalties, such as liquidated damages, will be levied by customers. For recoveries recognised in respect of each judgement, they have been recorded on the basis that it is considered highly probable that a significant reversal of such revenues recognised will not occur in the next year. When determining whether a contract is onerous, the likelihood of the recovery of additional income is considered over the life of the contract. Where the receipt of income is probable, this is included in the Group's consideration of whether the contract is onerous compared with revenue for a contract that is not onerous, which is only recognised when highly probable. There are a range of factors influencing potential outcomes, and, as such, the exact recoverable amounts are subject to change until agreements are finalised on these specific contracts.

The Group estimates that the possible outcomes impacting the revenue recognised in the financial year ended 31 March 2024 range from a potential gain of up to £42.5m to a potential risk of up to £13.6m, with a corresponding impact on gross margin of a potential gain of up to £21.1m and a potential risk of up to £49.3m. The Group estimates that the possible outcomes over the life of the contracts, which is particularly relevant when considering the extent to which any contract is onerous, range from a potential gain of up to £28.5m to a potential risk of up to £55.7m. The Group also estimates that the possible outcomes impacting the recoverability of project contract net assets and trade receivables recognised in the financial year ended 31 March 2024 ranges from a potential gain of up to £10.8m to a potential risk of up to £14.1m. These changes in outcomes may require reassessment of the cumulative gross margin recognised or judgement as to whether an onerous provision is required. The directors have assessed the range of possible outcomes based on information available to them at the date of approving the financial statements to the extent it provides evidence of conditions that existed at the balance sheet date. As with any judgement related to long-term contract accounting, these contracts are affected by uncertainties that are influenced by future events, and, therefore, it may require revision as the contracts progress.

The Group's construction and services business revenue for the year was £3.8bn (FY23: £3.2bn) with an associated margin of 8.5 per cent (FY23: 5.7 per cent). Should margins reduce by 1 per cent, the impact of such a change across the Group's projects in delivery at the year end would be an impact on gross profit of £38.2m (FY23: £31.7m). Should revenues reduce by 1 per cent, and the associated costs reduce by 1 per cent, the impact on gross profit would be a reduction of £3.2m (FY23: £1.8m).

b) Disputes and claims (judgement and estimate)

There is a key judgement surrounding disputes and claims where management has determined the appropriate accounting treatment of disputed amounts, legal cases, and claims. Management's best judgement has been reflected in the accounting and reporting of disputed amounts, legal cases, and claims, but the actual future outcome may be different from this judgement.

An individual dispute currently disclosed within the consolidated financial statements that has a material impact on the Group is in respect of a contract terminated during the 2017 financial year. This matter is subject to an ongoing private arbitration with a final award not expected to be issued before September 2025.

A provision of £137.9m ($266.2m) (FY23: £143.7m ($254.5m)) is recognised by Laing O'Rourke Australia Construction Pty Ltd as at 31 March 2024 for this matter within the onerous contract provision (see note 24). This provision represents the directors' best estimate at the reporting date of the anticipated outflow, after discounting for the time value of money, once this claim is settled. The private arbitration is complicated and incorporates a number of claims and counterclaims between the parties involved. The provision represents the estimated net impact of the claims and counterclaims, because the final award will determine the settlement to be paid on a net basis. The amount recognised carries a high degree of estimation uncertainty and the outcome could be materially lower or higher than the best estimate.

The gross value of claims against the Group is significantly in excess of the amounts recognised, but the directors have concluded that disclosing this value is misleading given that large elements of the gross claim are accepted by the other party to be duplicative or are not expected to be awarded against the Group as part of the final arbitration outcome. The provision recognised as at 31 March 2024 represents a weighted average of a range of potential outcomes, with the provision recognised representing the directors' best estimate. The Group's current expectation, based on the timetable for the private arbitration, is that the claim will not settle in FY25. However, further clarity on the likely outcome of the arbitration is expected during the year ending 31 March 2025 as the arbitration, based on the current timetable, is expected to have significantly advanced by that date. And therefore, it is probable that further information relevant to the dispute will become available and as a result there could be a range of

2 Material accounting policies (continued)

2.27 Key judgements and estimation uncertainty (continued)

b) Disputes and claims (judgement and estimate) (continued)

+/- 8 per cent reasonably possible change in the provision during the year ending 31 March 2025.

Further information on the quantum of this claim, which is subject to an ongoing private arbitration, is not disclosed as management expects it could seriously prejudice the outcome and position of the Group.

From time to time, the Group receives claims from subcontractors that it must evaluate in estimating the costs to complete on contracts and resolve as part of determining its final contract positions. Management bases its estimates of costs associated with such claims on its assessment of the expected outcome of each matter using the latest available information. There is inherent uncertainty associated with the estimates made by management, and any differences between these estimates and the eventual amounts settled may be material. However, given the extent of subcontractor claims at any given point in time, as is common within the sector, and as the quantum of amounts being claimed is not always known, it is not possible to provide any meaningful sensitivities of the estimates that have been made.

c) Exceptional items presentation (judgement)

Judgement has been used to determine the presentation of exceptional items, which relate to matters arising that are unusual and generally not expected to recur. The exceptional items arising in the year were:

i) Legal costs relating to a one-off disputed contract in the Group's Australia Hub of £6.6m (FY23: £15.7m);

ii) Redundancy costs incurred in the year of £5.6m (FY23: £nil);

iii) A claims provision of £1.8m (FY23: £143.7m) related to this one-off disputed contract in the Group's Australia Hub;

iv) A £4.3m unwind of the discount associated with the provision recognised related to this one-off disputed contract in the Group's Australia Hub (FY23: £nil);

v) Closure costs relating to businesses in Australia and the UK of £2.0m (FY23: £nil);

vi) Defect costs concerning the Building Safety Act 2002 of £19.6m (FY23: £nil);

vii) In the prior year, an adjustment to the value of a contract asset related to this one-off disputed contract in the Group's Australia Hub of £33.3m (FY24: £nil); and

viii) In the prior year a one-off write down of an intangible asset in the Group's Europe Hub of £2.4m (FY24: £nil).

d) Provisions recognised in respect of rectification of defects (estimate) and reimbursement assets (judgement and estimate)

There is estimation uncertainty in assessing the provision recognised in the reporting date either to rectify the defects or settle claims received. The Group also recognises its best of estimate of the amount the Group will be reimbursed by its insurance providers or others for the costs that will be incurred to rectify the defects or settle claims received, when the Group has made the judgement that reimbursement is virtually certain.

In the year ended 31 March 2024, costs in respect of the rectification of defects of £61.7m (FY23 restated: £27.1m) were incurred and debited to the consolidated income statement. As disclosed in note 24, as at 31 March 2024, the Group held defects provisions of £122.9m (FY23 restated: £87.5m) in respect of such known defect rectification. Defect liabilities can arise on projects where the construction work finished a number of years ago and where the Group may not have access to the site to fully assess the costs of rectification or where the likely settlement amount for defects when a claim has been received may be hard to determine. This is particularly the case in respect of the claims recently received that have arisen as a result of changes introduced by the Building Safety Act 2022 and the Government's building safety pledge/Developer Remediation Contract where there is limited case law. Therefore, given the level of uncertainty, timing and number of variables, it is difficult to provide meaningful sensitivity disclosures of the range of estimation uncertainty.

However, as an indication of the estimation uncertainty associated with this balance, a 10 per cent movement in the balance would have an impact on the consolidated income statement of £12.3m (FY23 restated: £8.8m), although actual movements may be greater and the final outcome materially different to the amounts provided.

In the year ended 31 March 2024, the Group recognised income of £11.3m (FY23 restated: £20.1m) relating to the reimbursement of costs expected to be incurred in respect of the rectification of defects. This has been presented as a reduction to costs incurred by the Group in respect of these defects. As at 31 March 2024, the Group held an asset for the reimbursement of costs incurred in settling the defects provision of £31.4m (FY23 restated: £20.1m) by the Group's insurers. The Group has considered reports outlining the root cause of the defects provided for and assessed the extent to which these are covered by the Group's insurance policies when determining the value of the reimbursement asset that the Group considers to be virtually certain of recovery. This is subject to estimation uncertainty as the final amount received will depend on the actual costs incurred in remediating defects or settling claims and the final assessment of the insurer's loss adjuster as to the amount that is subject to cover. However, any change in the asset held for the reimbursement of costs incurred is expected to be materially offset by a corresponding change in the provision held for costs in respect of the rectification of defects.

e) Going concern (judgement and estimate)

In preparing these consolidated financial statements using the going concern basis of accounting, management has considered the forecast future results and cash flows of the Group under a management case scenario and several downside scenarios (see the consolidated management report on pages 58 to 60). Forecast future results and cash flows include the following areas of estimation uncertainty:

2 Material accounting policies (continued)

2.27 Key judgements and estimation uncertainty (continued)

e) Going concern (judgement and estimate) (continued)

- Work-winning for the Group;
- Construction activity including project margins and the working capital position;
- Support of the supply chain in terms of product material, labour supply, and flexibility in payment terms;
- Inflationary pressures;
- Timing and quantum of outcomes of the claims referred to in note 2.27 (b); and
- Availability of cross-Group funding arrangements

LOR Australia is required to give advance notice to the counterparty referred to in note 2.27(b) of certain transactions that would amount to financial support of the broader LOR Group and the directors have determined that it is reasonable to form the view that LOR Australia would be able to give financial support to the UK business, depending on the details of the financial support proposed and the circumstances prevailing at that time.

In order to form a conclusion on going concern and in determining that there is no material uncertainty that may cast significant doubt on the Group's going concern status, management has exercised judgement by analysing the past performance of the business, its existing portfolio of projects and order book, and its expectation of work-winning. In addition, it has drawn on its knowledge and expertise of key drivers of cash flow performance in the construction sector in the markets in which it operates to assess the forecast liquidity and covenant headroom under its committed financing facilities based on its severe but plausible downside scenario, which at certain points are forecast to be limited under this scenario. Further details of this assessment and the key assumptions made are set out on pages 58 to 60.

f) Tax (judgement and estimate)

The Group is subject to tax in a number of jurisdictions and judgement is required in assessing future uncertain tax positions. Using the latest available information, the Group has determined that the future uncertain tax positions remain unchanged as at 31 March 2024. These tax positions are likely to take a number of years to resolve and are being closely monitored. The Group recognises a provision for future tax liabilities where it is probable that additional tax may become payable in future periods.

At the balance sheet date, a total tax liability of £nil (FY23: £1.0m) has been recognised in respect of uncertain tax positions.

Due to the nature of the uncertainty associated with such tax items, a very limited range of outcomes is possible – either the tax provision becomes payable or not – and therefore it is not practicable to provide sensitivity estimates.

There is estimation uncertainty when determining the quantum of deferred tax assets to recognise at year end. Deferred tax assets are only recognised where it is probable that future taxable profits will be available, against which the asset can be utilised.

The recognised deferred tax assets include £108.2m (FY23: £109.2m) which relate to carried forward tax losses in relation to UK operations. The Group has concluded that these deferred tax assets will be recovered using the estimated future taxable income, which is based on the approved forecasts prepared by management, which are consistent with the forecasts used in the going concern assessment and incorporate climate-related estimate and assumptions. These forecasts fully reflect current UK tax laws that, in broad terms, restrict the offset of the carried forward tax losses to 50 per cent of the forecast period's profit and that the tax losses do not have an expiry date.

Deferred tax assets will be materially utilised over a period of up to 15 years from the balance sheet date. Should the approved forecast profits increase/reduce by 30 per cent in each year used in the utilisation calculation, it would take -/+ three years to utilise the deferred tax asset. This sensitivity is in line with that used for the goodwill sensitivity referred to in note 12.

2.28 Other judgements and estimation uncertainty

a) Impairment of goodwill (estimate)

Determining whether goodwill is impaired requires an estimation of the recoverable amounts of the cash generating units (CGUs) to which the goodwill has been allocated. The recoverable amount is determined using a value-in-use calculation, which requires an estimation to be made of the timing and amount of future cash flows expected to arise from the CGU, and a suitable discount rate in order to calculate the present value. The discount rate used, carrying value of goodwill and further details of the impairment calculation are included in note 12.

As described further in note 12, the Group has also performed an impairment test across all CGUs.

Management has concluded that any reasonable updates to the estimates associated with these areas of the financial statements are not expected to result in material change.

b) Climate change (judgement and estimate)

In preparing the financial statements management has considered the impact of climate change. Potential impacts of climate change, which include increased intensity and frequency of weather events and stricter environmental legislation, have been considered by management, together with the Group's stated target of becoming operationally net zero by 2030 and developing plans to achieve net zero Scope 3 emissions by 2050 to the extent these can be forecast at present. These considerations did not have a material impact on the financial reporting judgements and estimates and climate change is not expected to have a significant impact on the Group's going concern assessment to March 2026.

2 Material accounting policies (continued)

2.28 Other judgements and estimation uncertainty (continued)

b) Climate change (judgement and estimate) (continued)

Specific areas considered by management in assessing the impact of climate change included:

- Estimates of the future cash flows used in the impairment assessment of the carrying value of goodwill where the forecasts used include the impact of climate change to the extent that these can be forecast at present (see note 12);
- Long-term contract accounting assumptions, such as the forecast costs of a project and, as these progress, the estimated costs to complete and the allowance for rectification works (see note 2.27(d));
- The appropriateness of the estimated useful economic lives of the Group's property, plant, and equipment and right-of-use assets (see notes 16 and 17) where no significant changes are currently needed; and
- The recoverability of deferred tax assets recognised (see note 25) in respect of carried-forward losses in relation to the UK operations.

The Group continues to invest in new technologies and product development including a project to decarbonise manufactured concrete components used in construction. The costs of these projects are currently being expensed as incurred.

2.29 Company accounting policies

The principal Group accounting policies that are also applicable to the Company are as follows:

- 2.05 Revenue recognition
- 2.12 Finance income/(expense)
- 2.14 Tax
- 2.16 Property, plant, and equipment
- 2.21 Cash and cash equivalents
- 2.22 Borrowings
- 2.23 Trade and other payables
- 2.26 Share capital

The accounting policies that are additional to those applied by the Group are as follows:

a) Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment. Costs that are incremental and directly attributable to the acquisition of investments are capitalised. There are no intercompany balances assessed as equity.

b) Other judgements and estimation uncertainty

Impairment of investments in subsidiaries (estimate)

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings, or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the present carrying amount of an asset is not recoverable and that a reduction in the subsidiary's carrying value is to be included in the Company's income statement for the financial period.

3 Revenue

The Group presents a disaggregation of its revenue according to the primary geographical markets and sectors in which it operates.

There is no material difference between revenue by origin and revenue by destination.

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following geographical regions and major segments:

Group	United Kingdom[1] 2024 £m	Australia 2024 £m	Rest of World 2024 £m	Total 2024 £m
Timing of revenue recognition				
At a point in time	**344.3**	**0.2**	**27.8**	**372.3**
Over time	**2,379.5**	**1,481.7**	**93.9**	**3,955.1**
Revenue including share of joint ventures and associates (note 30)	**2,723.8**	**1,481.9**	**121.7**	**4,327.4**
At a point in time	**58.2**	**0.2**	**20.5**	**78.9**
Over time	**2,335.6**	**1,481.2**	**93.9**	**3,910.7**
Group revenue	**2,393.8**	**1,481.4**	**114.4**	**3,989.6**

	Construction[1] 2024 £m	Manufacturing 2024 £m	Plant hire 2024 £m	Services 2024 £m	Total 2024 £m
Timing of revenue recognition					
At a point in time	**–**	**59.3**	**22.8**	**290.2**	**372.3**
Over time	**3,813.4**	**0.1**	**119.6**	**22.0**	**3,955.1**
Revenue including share of joint ventures and associates (note 30)	**3,813.4**	**59.4**	**142.4**	**312.2**	**4,327.4**
At a point in time	**–**	**52.1**	**22.8**	**4.1**	**79.0**
Over time	**3,812.9**	**–**	**75.7**	**22.0**	**3,910.6**
Group revenue	**3,812.9**	**52.1**	**98.5**	**26.1**	**3,989.6**

1. Included within UK and Construction revenue is £8.4m relating to forward funding interest.

	United Kingdom[1&2] 2023 £m	Australia 2023 £m	Rest of World 2023 £m	Total 2023 £m
Timing of revenue recognition				
At a point in time	255.6	0.4	31.7	287.7
Over time	2,033.8	1,162.3	120.9	3,317.0
Revenue including share of joint ventures and associates (note 30)	2,289.4	1,162.7	152.6	3,604.7
At a point in time	40.0	0.3	23.6	63.9
Over time	1,994.4	1,161.9	120.8	3,277.1
Group revenue	2,034.4	1,162.2	144.4	3,341.0

3 Revenue (continued)

	Construction[1] 2023 £m	Manufacturing 2023 £m	Plant hire[2] 2023 £m	Services 2023 £m	Total 2023 £m
Timing of revenue recognition					
At a point in time	–	41.3	27.0	219.4	287.7
Over time	3,154.7	0.1	98.7	63.5	3,317.0
Revenue including share of joint ventures and associates (note 30)	3,154.7	41.4	125.7	282.9	3,604.7
At a point in time	–	33.2	27.0	3.7	63.9
Over time	3,154.3	–	59.4	63.4	3,277.1
Group revenue	3,154.3	33.2	86.4	67.1	3,341.0

1. Included within UK and Construction revenue is £5.3m relating to forward funding interest.

2. The United Kingdom and Plant hire categories have been restated in FY23 to include £27.0m of revenue recognised at a point in time that was previously considered to be recognised over time. See note 2.02 for further details.

The Company revenue of £0.6m (FY23: £0.5m) relates to services provided in Jersey to its subsidiaries and is all recognised over time.

4 Trading analysis

This note seeks to provide additional value to the readers of these consolidated financial statements using some non-statutory disclosures, as explained below.

	Europe Hub 2024 £m	**Australia Hub 2024 £m**	**Corporate Centre 2024 £m**	**Total 2024 £m**
Performance by Hub:				
Managed revenue pre-exceptional items*	**3,141.3**	**1,663.2**	**10.4**	**4,814.9**
Exceptional items	**–**	**–**	**–**	**–**
Managed revenue*	**3,141.3**	**1,663.2**	**10.4**	**4,814.9**
Less: Inter-segment revenue*	**(295.8)**	**(181.3)**	**(10.4)**	**(487.5)**
Total revenue including share of joint ventures and associates*	**2,845.5**	**1,481.9**	**–**	**4,327.4**
Less: Share of joint ventures and associate revenue	**(337.3)**	**(0.5)**	**–**	**(337.8)**
Group revenue	**2,508.2**	**1,481.4**	**–**	**3,989.6**
Profit/(loss) before tax post-exceptional items	**17.0**	**40.4**	**(39.3)**	**18.1**
EBIT* post-exceptional items	**41.9**	**41.9**	**(43.8)**	**40.0**
EBITDA* post-exceptional items	**80.7**	**59.7**	**(43.7)**	**96.7**
Profit/(loss) before tax and exceptional items	**43.5**	**53.8**	**(39.3)**	**58.0**
EBIT* pre-exceptional items	**68.4**	**51.0**	**(43.8)**	**75.6**
EBITDA* pre-exceptional items	**107.2**	**68.8**	**(43.7)**	**132.3**

* These are non-statutory disclosures. EBIT is defined as profit/(loss) from operations and EBITDA is defined as profit/(loss) from operations and adding back depreciation and amortisation. Managed revenue, Total revenue including share of joint ventures and associate revenue, and Group revenue as shown above are all post exceptional items of £nil. See note 30 for more details.

4 Trading analysis (continued)

	Europe Hub[1] 2023 £m	Australia Hub 2023 £m	Corporate Centre[1] 2023 £m	Total 2023 £m
Managed revenue pre-exceptional items[2]	2,731.2	1,295.5	9.3	4,036.0
Exceptional items	–	(33.3)	–	(33.3)
Managed revenue[2]	2,731.2	1,262.2	9.3	4,002.7
Less: Inter-segment revenue[2]	(291.0)	(97.7)	(9.3)	(398.0)
Total revenue including share of joint ventures and associates[2]	2,440.2	1,164.5	–	3,604.7
Less: Share of joint ventures and associate revenue	(263.3)	(0.4)	–	(263.7)
Group revenue	2,176.9	1,164.1	–	3,341.0
Loss before tax post-exceptional items[1]	(167.7)	(101.7)	(18.7)	(288.1)
EBIT[2] post-exceptional items[1]	(151.0)	(101.8)	(21.1)	(273.9)
EBITDA[2] post-exceptional items[1]	(115.0)	(86.2)	(20.8)	(222.0)
(Loss)/profit before tax and exceptional items[1]	(165.3)	91.0	(18.7)	(93.0)
EBIT[2] pre-exceptional items[1]	(148.6)	90.9	(21.1)	(78.8)
EBITDA[2] pre-exceptional items[1]	(112.6)	106.5	(20.8)	(26.9)

1. The Europe Hub and Corporate Centre results have been represented to reflect the FY24 approach to allocation of shared service costs with £19m of costs reallocated from the Corporate Centre to the Europe Hub.

2 These are non-statutory disclosures. EBIT is defined as profit/(loss) from operations and EBITDA is defined as profit/(loss) from operations and adding back depreciation and amortisation. Managed revenue, Total revenue including share of joint ventures and associate revenue, and Group revenue as shown above are all post exceptional items of £33.3m. See note 30 for more details.

EBIT and EBITDA:	Note	**Pre-exceptional items 2024 £m**	**Exceptional items (note 5) 2024 £m**	**Total 2024 £m**	Pre-exceptional items 2023 £m	Exceptional items (note 5) 2023 £m	Total 2023 £m
EBIT		**75.6**	**(35.6)**	**40.0**	(78.8)	(195.1)	(273.9)
Depreciation	6	**50.8**	**–**	**50.8**	48.1	–	48.1
Amortisation	6	**5.9**	**–**	**5.9**	3.8	–	3.8
EBITDA		**132.3**	**(35.6)**	**96.7**	(26.9)	(195.1)	(222.0)

5 Exceptional items

Group	**2024 £m**	2023 £m
Legal costs	**6.6**	15.7
Redundancy costs	**5.6**	–
Defect costs related to the Building Safety Act 2022	**19.6**	–
Claims provision	**1.8**	143.7
Closure costs	**2.0**	–
Write off of intangible assets	**–**	2.4
Write down of contract assets	**–**	33.3
Exceptional loss before interest and tax	**35.6**	195.1
Exceptional finance expense	**4.3**	–
Exceptional loss before tax	**39.9**	195.1
Income tax credit on exceptional items	**(10.6)**	(58.3)
Exceptional loss after tax	**29.3**	136.8

None of the exceptional items above relate to the Company.

5 Exceptional items (continued)

Legal costs
Exceptional costs of £6.6m (FY23: £15.7m) were recognised in the year, which relate to legal costs incurred in the Australia Hub regarding a disputed contract; see note 24. These costs have been treated as exceptional as they relate to unusual circumstances that in the normal course of business are unlikely to recur. The dispute is expected to be resolved through a private arbitration with a final award not expected before September 2025.

Redundancy costs
Exceptional costs of £5.6m (FY23: £nil) were recognised in the year, which relate to redundancy costs in the UK of £5.2m and in the Australia Hub of £0.4m as part of a coordinated restructuring programme.

Defect costs
Laing O'Rourke is responding to legacy defect claims that have arisen as a result of the changes introduced by the Building Safety Act 2022 (which received royal assent on 28 April 2022) and the Government's building safety pledge/Developer Remediation Contracts. The Building Safety Act has extended the limitation period to bring a claim under the Defective Premises Act from six years to 15 years prospectively and 30 years retrospectively. Developers may seek to recover costs from main contractors (e.g. Laing O'Rourke) but until those claims are raised it is not possible to determine the full extent of the liability and/or work required on our behalf. Exceptional costs for defects brought about as a result of these matters in the United Kingdom were £19.6m (FY23: £nil). The extension to limitation periods may result in additional liabilities for the Group in the future, in excess of the costs recognised to date, the extent of which cannot be assessed by Laing O'Rourke as we do not have access to the information that would allow a detailed assessment of each potential obligation.

Claims provision and exceptional finance expense
Exceptional costs of £6.1m (FY23: £143.7m) were recognised in the year, which relate to a claim provision recognised in the Australia Hub, regarding a disputed contract; see note 24. Included within this amount is £4.3m relating to the unwind of the discount associated with the provision recognised in FY23.

Closure costs
Exceptional costs of £2.0m (FY23: £nil) were recognised in the year, which relate to the closure of a subsidiary in the Europe Hub of £1.6m and in the Australia Hub of £0.4m. Included within the £2.0m cost in the year are £0.6m of impairments of property, plant, and equipment; see note 16 for further details.

Write off of intangible assets
In the prior year the directors performed a one-off review of the Group's intangible assets including development costs. As a result of this review, exceptional write offs of £2.4m were recognised. There were no such write offs in FY24.

Write down of contract assets
No exceptional costs (FY23: £33.3m) were recognised in the year relating to an adjustment to the value of a contract asset in the Australia Hub in respect of a contract terminated during the 2017 financial year. These costs were treated as exceptional as they were material and unusual in nature, given the circumstances surrounding the disputed contract which were unlikely to recur. This matter is subject to an ongoing private arbitration; see notes 10 and 24.

6 Profit/(loss) from operations

Profit/(loss) before interest and tax is stated after charging/(crediting): **Group**	Note	**2024** **£m**	2023 £m
Staff costs	7	**841.6**	813.2
Depreciation of property, plant, and equipment	16	**20.6**	15.9
Depreciation of right-of-use assets	17	**30.2**	32.2
Short-term lease rentals and short-term hires:			
Property, plant and equipment		**3.4**	3.7
Amortisation of other intangible assets	12	**5.9**	3.8
Loss/(profit) on disposal of property, plant, and equipment, and right-of-use assets		**3.2**	(3.3)
Government grants*		**–**	(0.9)
Foreign exchange (gains)/losses		**(0.3)**	2.6
Cost of inventories recognised as an expense		**35.9**	35.6
Impairment of property, plant, and equipment (exceptional)	16	**0.6**	–
Auditors' remuneration (see below)		**6.6**	4.8

* During FY23, a grant from the UK Government was received relating to decarbonisation of production processes and operations.

6 Profit/(loss) from operations (continued)

(Loss)/profit before interest and tax is stated after charging: **Company**	Note	**2024** **£m**	2023 £m
Staff costs		**0.4**	0.4
Auditors' remuneration		**0.1**	0.1

Auditors' remuneration **Group**	Note	**2024** **£m**	2023 £m
Fees payable to the Company's auditor for the audit of:			
The Group and its UK subsidiaries		**5.4**	3.5
Overseas subsidiaries		**1.2**	1.3
Total audit fees		**6.6**	4.8
Fees payable to the Company's auditor and its associates for other services:			
Services relating to tax		**–**	–
Total non-audit fees		**–**	–
Total fees		**6.6**	4.8

Included within the FY24 Group audit fee of £5.4m is £1.6m of Group audit fee overruns in respect of FY23 (FY23: £0.7m in respect of FY22).

7 Staff costs and employee numbers

Number of employees	**2024** **Number**	2023 Number
Group		
The average number of employees (including directors) during the financial year was:		
Europe Hub	**8,083**	8,046
Australia Hub	**2,878**	2,557
Total number of employees	**10,961**	10,603
Company		
The average number of employees (including directors) during the financial year was:		
Corporate Centre	**6**	6
Total number of employees	**6**	6

Aggregate remuneration and related costs, including directors	**2024** **£m**	Restated 2023 £m
Group		
Salaries	**539.0**	514.3
Wages	**202.9**	200.8
Social security costs	**53.1**	54.7
Other pension costs	**46.6**	43.4
	841.6	813.2
Company		
Salaries	**0.4**	0.4
	0.4	0.4

1. Salaries for FY23 have been restated in the table above to correct a prior year error. Costs have increased by £0.7m from £513.6m to £514.3m.

At 31 March 2024 £3.6m (FY23: £3.5m) was payable in respect of the Group's defined contribution schemes and was included in other payables (note 23).

7 Staff costs and employee numbers (continued)

Transactions with key management personnel

The Group's key management personnel during the financial year include the 11 directors and six other individuals (FY23: 13 directors and six other individuals) identified to be key management personnel during the year, due to the fact that they are either directors of the Company, members of the Group Executive Committee, or statutory directors of other Group undertakings not disclosed in director's remuneration.

The compensation of the six key management personnel identified as other individuals was as follows:

	2024 £m	2023 £m
Salaries and other short-term employee benefits	**2.7**	4.2

The total remuneration of the 11 directors was as follows:

	2024 £m	Restated[1] 2023 £m
Group		
Salaries and other short-term benefits[1]	**5.2**	8.6
Company		
Salaries and other short-term benefits	**0.4**	0.4

1. Compensation of directors for FY23 has been restated in the table above to correct a prior year error. Costs have increased by £0.7m from £7.9m to £8.6m.

None of the directors are accruing benefits under a defined contribution scheme (FY23: none). No post-retirement benefits were paid on behalf of directors (FY23: £nil). The remuneration for some of the directors of the Company is borne by Laing O'Rourke Services Limited, a subsidiary undertaking of the Company, and is, therefore, excluded from the Company directors' remuneration disclosed above.

8 Other operating income

Group	2024 £m	2023 £m
Rents received	**0.1**	0.1
Research and development expenditure credit	**14.6**	9.7
Other operating income	**0.3**	0.5
	15.0	10.3

The research and development expenditure credit of £14.6m (FY23: £9.7m) is based on an assessment of recoverability from HMRC.

9 Finance income

	2024 £m	2023 £m
Bank interest	**9.2**	4.0
Other interest and similar income	**2.2**	1.2
	11.4	5.2

10 Finance expense

Group	2024 £m	2023 £m
Interest payable on bank loans and overdrafts	5.2	3.0
Interest payable on leases	10.7	10.3
Other interest payable and similar charges including forward funding interest	13.1	6.1
Total before exceptional costs	29.0	19.4
Exceptional costs (note 5)	4.3	–
Total post exceptional costs	33.3	19.4
Company		
Interest payable on loans	–	5.7
	–	5.7

11 Tax

	2024 £m	2023 £m
Jersey corporation tax		
Current tax on profit for the year	–	–
Foreign tax		
Current tax on profit for the year	2.2	0.2
Adjustments in respect of prior years	(1.4)	(1.0)
Total current tax charge/(credit)	0.8	(0.8)
Net origination of temporary differences – current year	8.7	(79.7)
Net origination of temporary differences – prior years	1.0	(4.6)
Impact of change in tax rates in all jurisdictions	–	(6.5)
Total deferred tax charge/(credit)	9.7	(90.8)
Total tax charge/(credit)	10.5	(91.6)

The Jersey rate is 0 per cent (FY23: 0 per cent). The Group has elected to use the UK tax rate in the reconciliation below as this is considered the most meaningful to stakeholders. The overall charge (FY23: credit) for the year of £10.5m (FY23: £91.6m) is explained relative to the UK statutory rate below:

	2024 £m	2023 £m
Total tax reconciliation		
Profit/(loss) before tax	18.1	(288.1)
Tax at the UK corporation tax rate of 25 per cent (FY23: UK 19 per cent)	4.5	(54.7)
Effects of		
• higher/(lower) overseas tax rates	2.5	(11.9)
• non-deductible expenditure/(income not subject to tax)	3.0	(3.2)
• adjustments in respect of prior years	(0.4)	(5.6)
• tax effect of joint ventures	(0.4)	(1.1)
• impact of change in future tax rates[1]	–	(15.4)
• unrecognised deferred tax	1.8	1.4
• other items	(0.5)	(1.1)
Total tax charge/(credit)	10.5	(91.6)

1. On 3 March 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would rise from 19 per cent to 25 per cent. This new law was substantively enacted on 24 May 2021 and therefore UK deferred tax assets and liabilities, that were previously recognised at 19 per cent, were recalculated at 25 per cent resulting in a £15.4m credit during FY23. £6.5m arose due to a change in our utilisation of brought forward tax losses and £8.9m arose due to temporary differences (primarily losses and accelerated capital allowances) originating during FY23. No further credit has been recognised during FY24 in relation to this change.

11 Tax (continued)

A total Group tax charge of £10.5m (FY23: credit of £91.6m) arises for the year on the total Group profit of £18.1m (FY23: Group loss of £288.1m). The total tax charge for the year includes an exceptional tax credit of £10.6m (FY23: credit of £58.3m) in relation to tax-allowable exceptional expenditure as described in note 5.

As a group with worldwide operations, Laing O'Rourke is subject to several factors that may affect future tax charges, principally the levels and mix of profitability in different jurisdictions, transfer pricing regulations, tax rates imposed, and tax regime reforms. On 11 July 2023, Finance (No.2) Act 2023 was enacted in the UK, introducing a global minimum effective tax rate of 15 per cent. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. A Pillar 2 Effective Tax Rate (ETR) is calculated for every jurisdiction in which the Group operates and Pillar 2 Income Taxes will arise when the Pillar 2 ETR is less than 15 per cent. Pillar 2 Income Taxes could be payable in the UK, or the local jurisdiction if it has introduced a Qualifying Domestic Minimum Top-up Tax. Laing O'Rourke is continuing to monitor potential impacts as further guidance is published by the OECD and territories implement legislation to enact the rules. Management has performed an assessment of the impact of the Pillar 2 rules based on our FY24 data and no Pillar 2 Income Taxes are expected to arise for most jurisdictions in which the Group operates. The Group believes it qualifies for one of the transitional safe harbours provided. It is anticipated that Laing O'Rourke may, in some jurisdictions, incur additional tax liabilities. But the effect on the reported tax charge is reasonably estimated to be immaterial.

The Group has applied the exemption under the IAS 12 'Income Taxes' amendment for recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

Tax effects relating to each component of comprehensive income

	2024			2023		
	Before-tax amount £m	**Tax expense £m**	**Net-of-tax amount £m**	Before-tax amount £m	Tax expense £m	Net-of-tax amount £m
Exchange differences on translating foreign operations	**(7.1)**	**–**	**(7.1)**	(9.2)	–	(9.2)
Realised FCTR due to dissolution of overseas branches	**1.5**	**–**	**1.5**	–	–	–
	(5.6)	**–**	**(5.6)**	(9.2)	–	(9.2)

12 Intangible assets

	Goodwill £m	**Computer software and licences £m**	**Development costs £m**	**Total £m**
Cost				
At 1 April 2023	**324.9**	**43.3**	**9.9**	**378.1**
Additions	**–**	**6.9**	**5.8**	**12.7**
Disposals	**–**	**(7.8)**	**–**	**(7.8)**
Exchange differences	**(1.8)**	**(0.4)**	**–**	**(2.2)**
At 31 March 2024	**323.1**	**42.0**	**15.7**	**380.8**
Accumulated amortisation and impairment				
At 1 April 2023	**2.5**	**35.4**	**–**	**37.9**
Amortisation for the year	**–**	**5.9**	**–**	**5.9**
Disposals	**–**	**(7.3)**	**–**	**(7.3)**
Exchange differences	**(0.1)**	**(0.3)**	**–**	**(0.4)**
At 31 March 2024	**2.4**	**33.7**	**–**	**36.1**
Net book value at 31 March 2024	**320.7**	**8.3**	**15.7**	**344.7**

12 Intangible assets (continued)

	Goodwill £m	Computer software and licences £m	Development costs £m	Total £m
Cost				
At 1 April 2022	328.2	46.5	6.2	380.9
Additions	–	6.2	1.1	7.3
Disposals	(0.8)	(2.4)	(4.4)	(7.6)
Transfers[1]	–	(7.0)	7.0	–
Exchange differences	(2.5)	–	–	(2.5)
At 31 March 2023	324.9	43.3	9.9	378.1
Accumulated amortisation and impairment				
At 1 April 2022	3.4	32.7	3.4	39.5
Amortisation for the year	–	3.8	–	3.8
Disposals	(0.8)	(1.1)	(3.4)	(5.3)
Exchange differences	(0.1)	–	–	(0.1)
At 31 March 2023	2.5	35.4	–	37.9
Net book value at 31 March 2023	322.4	7.9	9.9	340.2

1. The transfer in prior year related to a reallocation of IT assets under construction to development costs in line with the Group's accounting policies.

Impairment tests for cash-generating units containing goodwill

The following units have significant amounts of goodwill	2024 £m	2023 £m
Australia	**39.5**	41.2
United Kingdom	**281.2**	281.2
	320.7	322.4

The Group owns several engineering, construction, manufacturing, and specialist services companies, which combine to provide clients with a comprehensive investment, development and management capability and due to the set up of the approach to market, management is of the view that the UK CGU and Australia CGU are the smallest groups of assets generating cash inflows that are largely independent of the cash inflows from other assets. Therefore, an impairment test is performed for the UK entities as a whole given that all UK entities operate as one business with combined reporting. A separate impairment test is performed for the Australia entities as a whole given that all Australia entities operate as one business with combined reporting.

The recoverable amount of goodwill attached to each cash generating unit (CGU) is determined based on value-in-use calculations in accordance with IAS 36, Impairment of Assets. Each CGU calculation uses cash flow projections based on four-year financial budgets approved by the Board. The CGU calculation uses a perpetual growth rate of 2 per cent based on industry data (FY23: 2 per cent), discounted at the Group's estimated pre-tax weighted average cost of capital of 14.6 per cent (FY23: 12.4 per cent) for the UK CGU and 15.6 per cent (FY23: 14.1 per cent) for the Australia CGU. Budgeted gross margins are based on past performance, order book and management's market expectations. The weighted average cost of capital is an estimate based on that of listed industry competitors, adjusted for differences in capital structures and specific considerations.

In the UK assumed revenue growth is a decrease of 6 per cent for FY25, 10 per cent growth for FY26, 8 per cent growth for FY27, and 5 per cent growth for FY28 and gross margin is assumed to increase from 7 per cent in FY25 to 10 per cent in FY28. Overheads are assumed to remain stable during the forecast period at approximately 4.4 per cent of revenue. For the Australian CGU, assumed revenue growth is a decrease of 2 per cent for FY25, 16 per cent decrease for FY26, 4 per cent growth for FY27, and to remain stable for FY28 and gross margin is assumed to increase from 8.7 per cent in FY25 to 10.9 per cent in FY28. Overheads are assumed to remain stable during the forecast period at approximately 4.3 per cent of revenue.

Sensitivity analysis, including the potential impact of inflation, supply chain disruption and climate change, has been performed on the goodwill in relation to each CGU by changing the key assumptions applicable to each CGU. In the view of the directors there is not a reasonably foreseeable change in a key assumption that would trigger an impairment charge.

Amortisation charge

The amortisation charges in respect of computer software and licences and development costs are recognised in administrative expenses in the income statement.

13 Acquisitions and disposals

Acquisitions

On 4 August 2023 Explore Transport Limited acquired 70 per cent of the ordinary shares in Prigmore Haulage Limited.

Disposals

The disposal of Laing O'Rourke Joinery LLC was completed on 31 May 2024; AED 25m (£5.4m) was received as consideration.

Dissolutions

Sundera Holdings Limited on 8 July 2023.

Laing O'Rourke Utilities Ireland Limited on 30 September 2023.

Irishtown Developments Limited on 8 January 2024.

Coventry Urban Regeneration Limited and Explore Investments (No.1) Limited on 16 July 2024.

Explore Living Balls Park Limited on 30 July 2024.

R O'Rourke & Son Maynooth Limited on 26 August 2024.

14 Investments in subsidiaries

Company	Subsidiary undertakings shares £m
Cost	
At 1 April 2022 and 2023 and 31 March 2024	**494.9**
Impairment	
At 1 April 2022 and 2023 and 31 March 2024	**(16.0)**
Net book value	
At 31 March 2024	**478.9**
At 31 March 2023	478.9

The carrying value of the individual investments has been subject to an annual impairment review based upon their underlying net assets or their forecast cash flow for future years. The impairment relates to provision for diminution in value of subsidiary undertakings down to a value that is supported by their net asset position or their forecast cash flows at 31 March 2024.

All of the subsidiary companies have been included in the consolidated financial statements. The details of the directly held subsidiaries, all of which are unlisted, are as follows:

Name, country of incorporation and principal activities	2024 £m	2023 £m
Laing O'Rourke Australia Holdings Limited, Jersey, holding of investments	**82.3**	82.3
Laing O'Rourke India Holdings Limited, Jersey, holding of investments	**0.3**	0.3
Laing O'Rourke Insurance Limited, Guernsey, underwriting insurance	**25.0**	25.0
Laing O'Rourke Ireland Holdings Limited, Jersey, holding of investments	**0.0**	0.0
Laing O'Rourke Middle East Holdings Limited, Jersey, holding of investments	**5.8**	5.8
Laing O'Rourke Treasury Limited, Jersey, financing	**21.6**	21.6
O'Rourke Investments Holdings (UK) Limited, UK, holding of investments	**185.7**	185.7
Suffolk Partners (Three) Limited, British Virgin Islands, financing	**158.2**	158.2
	478.9	478.9

Please refer to note 37 for further detail of the Group's principal subsidiaries, joint arrangements and associates.

15 Investments in joint ventures and associates and loans to joint ventures

	Joint ventures equity investments £m	Associate equity investment £m	Loans to joint ventures £m	Total £m
At 1 April 2023	**6.2**	**1.2**	**8.0**	**15.4**
Capital injections in equity investments	**3.3**	**–**	**–**	**3.3**
Exchange differences	**0.1**	**(0.2)**	**–**	**(0.1)**
At 31 March 2024	**9.6**	**1.0**	**8.0**	**18.6**
Share of results for the year after tax	**2.0**	**(0.2)**	**–**	**1.8**
Distributions received	**(2.5)**	**–**	**–**	**(2.5)**
Net book value at 31 March 2024	**9.1**	**0.8**	**8.0**	**17.9**
At 1 April 2022	(0.7)	1.3	8.0	8.6
Capital injections in equity investments	4.2	–	–	4.2
Disposal	(0.3)	–	–	(0.3)
Exchange differences	0.5	–	–	0.5
At 31 March 2023	3.7	1.3	8.0	13.0
Share of results for the year after tax	2.8	(0.1)	–	2.7
Distributions received	(0.3)	–	–	(0.3)
Net book value at 31 March 2023	6.2	1.2	8.0	15.4

The Group's share of joint venture and associate equity investments and loans to joint ventures is presented above. IFRS 11 Joint Arrangements requires the following presentation adjustments:

- Where the Group has already accounted for an obligation to fund net liabilities of a joint venture or associate, this is deducted from loans made to the joint venture or associate; and
- Where the Group's obligation to fund net liabilities of a joint venture or associate exceeds the amount loaned, a provision is recorded (see note 24).

The Group's investments in joint ventures and associates are presented in the statement of financial position as:

	2024 £m	2023 £m
Investments in joint ventures and associates	**13.2**	14.1
Loans to joint ventures	**8.0**	8.0
Provisions (note 24 within 'other provisions')	**(3.3)**	(6.7)
	17.9	15.4

The loan to joint ventures is unsecured, attracts interest at a fixed rate of 11.74 per cent, has no fixed date of repayment and is repayable on demand.

15 Investments in joint ventures and associates and loans to joint ventures (continued)

The principal joint ventures and associates are shown in note 37. Each joint venture and associate has share capital consisting solely of ordinary shares, which are held directly by the Group. Each joint venture and associate is a private company and there is no quoted market price available for its shares.

Set out below is the summarised financial information for the joint ventures and associates of the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and associates and not Laing O'Rourke Corporation Limited's share of these amounts. The amounts have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policies.

	Emirates Precast Construction LLC 2024 £m	Health Montreal Collective CJV Limited Partnership 2024 £m	Alder Hey 2024 £m	Explore Transport[1] 2024 £m	BYLOR Services 2024 £m	Presien Holdings Pty Limited-Associate 2024 £m	Total 2024 £m
Revenue	18.2	–	2.3	87.8	570.3	1.9	680.5
Depreciation and amortisation	(0.2)	–	–	(7.9)	–	–	(8.1)
Other expenses	(18.0)	(0.6)	(3.5)	(72.0)	(570.3)	(2.8)	(667.2)
Operating (loss)/profit	–	(0.6)	(1.2)	7.9	–	(0.9)	5.2
Finance income	0.1	0.6	8.1	–	–	–	8.8
Finance expense	–	–	(7.6)	(2.0)	–	–	(9.6)
Profit/(loss) before tax	0.1	–	(0.7)	5.9	–	(0.9)	4.4
Tax expense	–	–	–	(1.5)	–	–	(1.5)
Profit/(loss) after tax	0.1	–	(0.7)	4.4	–	(0.9)	2.9
Other comprehensive income/(expense)	–	–	–	–	–	–	–
Total comprehensive income/(expense)	0.1	–	(0.7)	4.4	–	(0.9)	2.9
Dividends paid	(1.3)	–	–	(3.9)	–	–	(5.2)
Non-current assets							
Investments	–	–	–	1.1	–	–	1.1
Goodwill	–	–	–	–	–	0.4	0.4
Property, plant, and equipment	0.5	–	–	39.6	–	0.1	40.2
Other non-current assets	1.3	–	103.2	–	–	2.1	106.6
Current assets							
Cash and cash equivalents	4.2	1.3	21.7	4.2	44.8	0.6	76.8
Other current assets	9.7	11.2	1.9	15.2	68.3	0.5	106.8
Total assets	15.7	12.5	126.8	60.1	113.1	3.7	331.9
Current liabilities							
Borrowings	–	–	–	(2.3)	–	–	(2.3)
Other current liabilities	(4.0)	(19.0)	(3.3)	(15.0)	(113.1)	(0.4)	(154.8)
Non-current liabilities							
Borrowings	–	–	(120.3)	(22.7)	–	–	(143.0)
Other non-current liabilities	(1.6)	–	(3.2)	(3.5)	–	–	(8.3)
Total liabilities	(5.6)	(19.0)	(126.8)	(43.5)	(113.1)	(0.4)	(308.4)
Net assets/(liabilities)	10.1	(6.5)	–	16.6	–	3.3	23.5
Financial commitments	–	–	–	–	–	–	–
Capital commitments	–	–	–	–	–	–	–

1. This includes the results of Prigmore Haulage Limited from 4 August 2023 when Explore Transport Limited acquired 70 per cent of its ordinary shares.

Please refer to note 37 for details of the place of business for principal joint ventures.

15 Investments in Joint Ventures and Associates and loans to joint ventures (continued)

	Emirates Precast Construction LLC 2023 £m	Health Montreal Collective CJV Limited Partnership 2023 £m	Alder Hey 2023 £m	Explore Transport 2023 £m	BYLOR Services 2023 £m	Presien Holdings Pty Limited-Associate 2023 £m	Total 2023 £m
Revenue	20.6	–	2.5	78.7	429.3	(0.3)	530.8
Depreciation and amortisation	(0.2)	–	–	(7.7)	–	–	(7.9)
Other expenses	(20.5)	–	(2.1)	(64.6)	(429.3)	–	(516.5)
Operating (loss)/profit	(0.1)	–	0.4	6.4	–	(0.3)	6.4
Finance income[1]	0.1	–	7.9	–	–	–	8.0
Finance expense[1]	–	–	(7.6)	(1.3)	–	–	(8.9)
Profit/(loss) before tax	–	–	0.7	5.1	–	(0.3)	5.5
Tax expense	–	–	–	–	–	–	–
Profit/(loss) after tax	–	–	0.7	5.1	–	(0.3)	5.5
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income/(expense)	–	–	0.7	5.1	–	(0.3)	5.5
Dividends paid	(0.7)	–	–	–	–	–	(0.7)

Non-current assets							
Goodwill	–	–	–	–	–	0.5	0.5
Property, plant, and equipment	0.4	–	–	35.0	–	0.1	35.5
Other non-current assets	0.8	–	109.2	–	–	2.2	112.2
Current assets							
Cash and cash equivalents	4.1	1.0	18.1	4.9	17.7	1.1	46.9
Other current assets	15.1	11.5	3.1	14.4	34.2	–	78.3
Total assets	20.4	12.5	130.4	54.3	51.9	3.9	273.4
Current liabilities							
Borrowings	–	–	–	(3.2)	–	–	(3.2)
Other current liabilities	(7.3)	(25.9)	(3.3)	(11.4)	(51.9)	(0.5)	(100.3)
Non-current liabilities							
Borrowings	–	–	(120.7)	(20.8)	–	–	(141.5)
Other non-current liabilities	(1.5)	–	(5.7)	(2.8)	–	–	(10.0)
Total liabilities	(8.8)	(25.9)	(129.7)	(38.2)	(51.9)	(0.5)	(255.0)
Net assets/(liabilities)	11.6	(13.4)	0.7	16.1	–	3.4	18.4

Financial commitments	–	–	–	–	–	–	–
Capital commitments	–	–	–	–	–	–	–

1. There is a presentational change in FY24 whereby net finance income/(costs) in the prior year are disclosed separately as finance income and finance expense to provide further visibility of the financing activities.

16 Property, Plant, and Equipment

Group	Land and buildings[1] £m	Plant[1] £m	Equipment[1] £m	Vehicles[1] £m	Total[3] £m
Cost					
At 1 April 2023	**54.0**	**98.3**	**107.3**	**2.5**	**262.1**
Additions	**1.3**	**14.8**	**27.7**	**–**	**43.8**
Disposals	**(1.7)**	**(13.8)**	**(7.3)**	**(0.1)**	**(22.9)**
Transfer between categories	**–**	**(2.9)**	**2.9**	**–**	**–**
Transfer from right-of-use assets[4]	**–**	**95.5**	**–**	**0.3**	**95.8**
Other	**(0.1)**	**–**	**–**	**–**	**(0.1)**
Exchange differences	**(0.7)**	**–**	**(3.7)**	**0.1**	**(4.3)**
At 31 March 2024	**52.8**	**191.9**	**126.9**	**2.8**	**374.4**
Accumulated depreciation					
At 1 April 2023	**23.5**	**64.4**	**64.8**	**2.0**	**154.7**
Depreciation charge for the year	**1.8**	**9.0**	**9.6**	**0.2**	**20.6**
Impairment[2]	**–**	**0.6**	**–**	**–**	**0.6**
Disposals	**(1.7)**	**(11.1)**	**(5.9)**	**(0.1)**	**(18.8)**
Transfer between categories	**1.0**	**(1.9)**	**0.9**	**–**	**–**
Transfer from right-of-use assets[4]	**–**	**52.3**	**–**	**0.1**	**52.4**
Exchange differences	**(0.4)**	**–**	**(1.8)**	**–**	**(2.2)**
At 31 March 2024	**24.2**	**113.3**	**67.6**	**2.2**	**207.3**
Net book value at 31 March 2024	**28.6**	**78.6**	**59.3**	**0.6**	**167.1**[3]
Cost					
At 1 April 2022	53.4	102.3	107.2	2.4	265.3
Additions	1.5	2.7	15.8	–	20.0
Disposals	(1.0)	(4.0)	(12.5)	(0.1)	(17.6)
Transfer (to)/from right-of-use assets	–	(2.4)	–	0.2	(2.2)
Other	0.2	(0.4)	0.3	–	0.1
Exchange differences	(0.1)	0.1	(3.5)	–	(3.5)
At 31 March 2023	54.0	98.3	107.3	2.5	262.1
Accumulated depreciation					
At 1 April 2022	22.8	66.5	67.1	1.8	158.2
Depreciation charge for the year	1.0	4.9	10.0	–	15.9
Disposals	(0.4)	(3.1)	(10.9)	(0.1)	(14.5)
Transfer (to)/from right-of-use assets	–	(6.5)	–	0.3	(6.2)
Other	–	2.5	0.2	–	2.7
Exchange differences	0.1	0.1	(1.6)	–	(1.4)
At 31 March 2023	23.5	64.4	64.8	2.0	154.7
Net book value at 31 March 2023	30.5	33.9	42.5	0.5	107.4

1. There is a presentational change in FY24 where the categories of plant, equipment, and vehicles disclosed in FY23 have been separated to form three new categories to provide further visibility of the nature of assets within the business.
2. This relates to the impairment of assets held within the Glass Reinforced Concrete business which ceased to trade during FY24.
3. Property, plant, and equipment includes £2.0m disclosed on the statement of financial position as assets held for sale.
4. Assets that are purchased on finance (e.g. hire purchase) and meet the definition of a right-of-use asset are subsequently transferred to property, plant, and equipment at the end of the lease. During FY24, a number of assets were identified as not meeting the definition of a sale and leaseback transaction and should therefore have been recognised as property, plant and equipment previously. No prior restatement was recognised for this transfer on the basis of materiality. At 31 March 2023 the net book value of those transferred to property, plant and equipment was £25.0m.

16 Property, Plant, and Equipment (continued)

Company	Furniture, fixtures and office equipment[1] £m	Computer hardware £m	Total £m
Cost			
At 1 April 2023	0.6	0.1	0.7
At 31 March 2024	0.6	0.1	0.7
Accumulated depreciation			
At 1 April 2023	0.2	0.1	0.3
Depreciation charge for the year	0.1	–	0.1
At 31 March 2024	0.3	0.1	0.4
Net book value at 31 March 2024	**0.3**	**–**	**0.3**

	Furniture, fixtures and office equipment[1] £m	Computer hardware £m	Total £m
Cost			
At 1 April 2022	0.6	0.1	0.7
At 31 March 2023	0.6	0.1	0.7
Accumulated depreciation			
At 1 April 2022	0.1	0.1	0.2
Depreciation charge for the year	0.1	–	0.1
At 31 March 2023	0.2	0.1	0.3
Net book value at 31 March 2023	0.4	–	0.4

1. The plant, equipment, and vehicles category has been renamed to furniture, fixtures and office equipment to better reflect the nature of assets within the Company.

17 Right-of-use assets

	Land and buildings[1] £m	Plant[1] £m	Equipment[1] £m	Vehicles[1] £m	Total £m
Cost					
At 1 April 2023	**128.7**	**202.7**	**–**	**17.7**	**349.1**
Additions	**19.1**	**28.7**	**–**	**0.1**	**47.9**
Disposals	**(6.2)**	**(3.6)**	**–**	**–**	**(9.8)**
Transfer to property, plant, and equipment [2]	**–**	**(95.5)**	**–**	**(0.3)**	**(95.8)**
Exchange differences	**(1.6)**	**(0.7)**	**–**	**(0.1)**	**(2.4)**
At 31 March 2024	**140.0**	**131.6**	**–**	**17.4**	**289.0**
Accumulated depreciation					
At 1 April 2023	**45.1**	**65.1**	**–**	**8.4**	**118.6**
Depreciation charge for the year	**16.1**	**10.6**	**–**	**3.5**	**30.2**
Disposals	**(4.9)**	**(1.9)**	**–**	**–**	**(6.8)**
Transfer to property, plant, and equipment [2]	**–**	**(52.3)**	**–**	**(0.1)**	**(52.4)**
Other movements	**(0.3)**	**–**	**–**	**–**	**(0.3)**
Exchange differences	**(0.7)**	**(0.2)**	**–**	**–**	**(0.9)**
At 31 March 2024	**55.3**	**21.3**	**–**	**11.8**	**88.4**
Net book value at 31 March 2024	**84.7**	**110.3**	**–**	**5.6**	**200.6**
Cost					
At 1 April 2022	130.1	172.2	1.3	17.3	320.9
Additions	4.8	38.0	–	1.1	43.9
Disposals	(7.5)	(8.9)	(1.3)	(0.4)	(18.1)
Transfer from/(to) property, plant, and equipment	–	2.5	–	(0.3)	2.2
Other movements	3.3	(0.2)	–	–	3.1
Exchange differences	(2.0)	(0.9)	–	–	(2.9)
At 31 March 2023	128.7	202.7	–	17.7	349.1
Accumulated depreciation					
At 1 April 2022	37.5	53.9	1.2	5.5	98.1
Depreciation charge for the year	14.6	14.0	0.1	3.5	32.2
Disposals	(7.4)	(6.5)	(1.3)	(0.3)	(15.5)
Transfer from/(to) property, plant, and equipment	–	6.5	–	(0.3)	6.2
Other movements	1.4	(2.6)	–	–	(1.2)
Exchange differences	(1.0)	(0.2)	–	–	(1.2)
At 31 March 2023	45.1	65.1	–	8.4	118.6
Net book value at 31 March 2023	83.6	137.6	–	9.3	230.5

1. There is a presentational change in FY24 where the categories of plant, equipment, and vehicles disclosed in FY23 have been separated to form three new categories to provide further visibility of the nature of assets within the business.

2. Assets that are purchased on finance (e.g. hire purchase) and meet the definition of a right-of-use asset are subsequently transferred to property, plant, and equipment at the end of the lease. During FY24, a number of assets were identified as not meeting the definition of a sale and leaseback transaction and should therefore have been recognised as property, plant and equipment previously. No prior restatement was recognised for this transfer on the basis of materiality. At 31 March 2023 the net book value of those transferred to property, plant and equipment was £25.0m.

18 Contract balances

Assets and liabilities related to contracts with customers

Contract assets are made up of a portfolio of contracts and represent unbilled amounts, including amounts arising from changes to scope of works that have been recognised as revenue but not yet billed. Contract liabilities result when cumulative cash received exceeds cumulative revenue on any particular contract. There are no significant one-off factors attributed to the movements of these balances outside normal trading.

Contract assets	£m
At 1 April 2022	276.9
Transfers from contract assets recognised at the beginning of the year to receivables	(166.6)
Performance obligations satisfied in the year that have yet to be transferred to receivables	297.4
Exceptional write down on contract assets recognised at the beginning of the year (see note 5)	(33.3)
Exchange differences	(1.4)
At 31 March 2023	373.0
Transfers from contract assets recognised at the beginning of the year to receivables	(328.9)
Performance obligations satisfied in the year that have yet to be transferred to receivables	377.1
Exchange differences	(5.7)
At 31 March 2024	**415.5**

Contract liabilities	£m
At 1 April 2022	(334.2)
Revenue recognised against contract liabilities at the beginning of the year	310.7
Increase due to cash received, excluding amounts recognised as revenue during the year	(305.5)
Exchange differences	3.4
At 31 March 2023	(325.6)
Revenue recognised against contract liabilities at the beginning of the year	311.3
Increase due to cash received, excluding amounts recognised as revenue during the year	(265.6)
Exchange differences	1.9
At 31 March 2024	**(278.0)**

	Assets 2024 £m	Assets 2023 £m	**Liabilities 2024 £m**	Liabilities 2023 £m	**Net 2024 £m**	Net 2023 £m
The ageing of contract assets/(liabilities) at the year end was:						
Less than one year	**365.1**	330.9	**(277.6)**	(321.6)	**87.5**	9.3
More than one year	**50.4**	42.1	**(0.4)**	(4.0)	**50.0**	38.1
	415.5	373.0	**(278.0)**	(325.6)	**137.5**	47.4

At 31 March 2024, contract assets include customer retentions of £54.9m (FY23: £53.4m) relating to construction contracts, of which £34.7m (FY23: £36.6m) are non-current assets. The Group manages the collection of retentions through its post-completion project monitoring procedures and contact with clients to ensure that potential issues that could lead to the non-payment of retentions are identified and addressed promptly. The directors estimate the loss allowance on contract assets at the end of the reporting period at an amount equal to lifetime expected credit losses. None of the contract assets at the end of the reporting period are past due and, taking into account the historical default experience and future prospects in the industry, the directors consider that the impact of impairment is not material. Accordingly no expected credit loss has been recognised.

At 31 March 2024, contract liabilities includes forward funding interest of £5.9m (FY23: £2.5m).

Contract fulfilment costs

The Group has no fulfilment costs within contract assets.

18 Contract balances (continued)

Remaining performance obligations

Contracts in place at 31 March have the remaining performance obligations expected to be settled through to contract completion as set out below:

	2024 £m	2023 £m
Europe Hub	**3,195.2**	4,686.0
Australia Hub	**3,077.0**	1,888.3
	6,272.2	6,574.3
Expected to be recognised as revenue in the next financial year	**3,374.1**	3,502.2
Expected to be recognised as revenue between 1 and 2 years	**1,520.8**	2,008.9
Expected to be recognised as revenue between 2 and 5 years	**1,377.3**	1,063.2
	6,272.2	6,574.3

19 Trade and other receivables

Group **Amounts expected to be recovered within one year:**	2024 £m	Restated 2023 £m
Trade receivables	**115.0**	147.6
Less: provision for impairment of trade receivables	**(0.6)**	(0.8)
Prepayments and accrued income	**16.7**	34.3
Other receivables	**28.6**	27.6
	159.7	208.7
Group **Amounts expected to be recovered after more than one year:**		
Trade receivables	**1.0**	0.3
Other receivables (restated[1])	**55.5**	47.6
	56.5	47.9
Total trade and other receivables	**216.2**	256.6

1. In FY23 trade and other receivables (non-current) have been restated by £20.1m from £27.8m to £47.9m; see note 2.02 for further details.

Comprising		
Financial assets (note 29)	**200.1**	223.1
Non-financial assets	**16.1**	33.5
	216.2	256.6

At 31 March 2024, other receivables includes reimbursement assets totalling £31.4m (FY23 restated: £20.1m) in respect of amounts that the Group considers it is virtually certain it will receive from its insurers in respect of defects for which a provision is recognised in the financial statements (see note 24). These are recognised as non-current. The Group's estimate is based on the most recent assessment of the cause of the defect. There is estimation uncertainty as to the amount that will be recovered as this is intrinsically linked with the costs incurred in respect of the associated provision (which itself is subject to estimation uncertainty) and the final assessment of the insurer's loss adjuster as to the amount that is subject to cover. As described further in note 2.27(d), these assets are therefore considered a key source of estimation uncertainty.

Company **Amounts expected to be recovered after more than one year:**	2024 £m	Restated 2023 £m
Amounts owed by Group undertakings[1]	**–**	–
Total trade and other receivables	**–**	–

1. Amounts owed by Group undertakings treated as a non-current asset have been restated from £93.8m to £nil for FY23. This restates the loan balances from other Group entities to current borrowings as at 31 March 2023 as the counterparty's principal activity is that of funding. See note 2.02 for further details.

19 Trade and other receivables (continued)

Movement in the provision for impairment of trade receivables

	2024 £m	2023 £m
Opening balance	**(0.8)**	(1.3)
Additional provisions recognised	**(0.1)**	–
Utilised during the year	**0.2**	0.5
Unused amounts reversed	**0.1**	–
Closing balance	**(0.6)**	(0.8)

The maturity profile of the receivables and allowance for expected credit losses provided for above is as follows:

	Carrying amount 2024 £m	Allowance for expected credit losses 2024 £m
Not overdue	**97.8**	**–**
0 to 3 months overdue	**7.4**	**–**
3 to 6 months overdue	**1.5**	**–**
Over 6 months overdue	**9.3**	**(0.6)**
	116.0	**(0.6)**

Based on prior experience, an assessment of the current economic environment, and a review of the financial circumstances of individual customers, the directors believe that no further credit risk provision is required in respect of trade receivables.

	Carrying amount 2023 £m	Allowance for expected credit losses 2023 £m
Not overdue	129.4	–
0 to 3 months overdue	5.0	–
3 to 6 months overdue	3.1	–
Over 6 months overdue	10.4	(0.8)
	147.9	(0.8)

20 Inventories

	2024 £m	2023 £m
Development land	**8.4**	8.8
Work in progress	**2.6**	5.7
Raw materials and consumables	**14.8**	14.7
	25.8	29.2

Development land and work in progress at 31 March 2024 includes assets with a value of £8.4m (FY23: £9.5m) expected to be consumed after more than one year which, given the nature of these assets, is considered part of the normal operating cycle. Inventories carried at net realisable value at 31 March 2024 had a carrying value of £8.4m (FY23: £9.1m).

Capitalised specific borrowing costs attributable to qualifying assets and included in development land and work in progress of £0.9m did not materially change from last year (FY23: £0.9m).

Included within the cost of inventories are stock obsolescence provisions of £0.6m. In the prior year £0.3m was recognised within other provisions; see note 24.

21 Cash and cash equivalents

	2024 £m	2023 £m
Cash at bank and in hand	**438.7**	420.1
Short-term deposits (note 31)	**8.0**	8.0
	446.7	428.1

i) Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2024 £m	2023 £m
Balances as above	**446.7**	428.1
Bank overdrafts (see note 22 within 'bank loans')	**(3.4)**	–
	443.3	428.1

ii) Restricted cash

£22.2m (FY23: £21.0m) of the total cash balance is restricted cash. These deposits are held as security and are therefore not available for general use by the Group.

iii) Classification as cash equivalents

£8.0m (FY23: £8.0m) of short-term bank deposits have a maturity of 90 days or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

22 Borrowings

	2024 £m	2023 £m
Amounts expected to be settled within one year:		
Group		
Bank loans (including bank overdrafts of £3.4m (FY23: £nil))	**29.3**	19.9
Lease liabilities	**45.8**	48.0
	75.1	67.9
Amounts expected to be settled after more than one year:		
Bank loans	**55.7**	22.9
Lease liabilities	**134.8**	150.0
	190.5	172.9
Total borrowings	**265.6**	240.8

Obligations under leases are secured on certain non-current assets of the Group with an original cost of £208.8m (FY23: £260.1m) and net book value of £159.1m (FY23: £188.1m).

On 19 October 2023, the Group extended the £35.0m revolving credit facility to 3 April 2026. The facility has been maintained at £35.0m through to 31 March 2025, at which point quarterly £2.5m step-downs commence, reducing the facility to £25.0m by 31 December 2025. A £13.0m property loan was also extended to 3 April 2026.

	2024 £m	Restated 2023 £m
Amounts expected to be settled within one year:		
Company		
Amounts owed to Group undertakings[1 & 2]	**132.5**	126.7
Total borrowings	**132.5**	126.7

1. All amounts owed to Group undertakings are unsecured and repayable on demand.
2. Amounts owed to Group undertakings in FY23 have been restated from £202.0m by £75.3m to £126.7m; see note 2.02 for further details.

23 Trade and other payables

	2024 £m	Restated[1] 2023 £m
Amounts expected to be settled within one year:		
Group		
Trade payables (restated[1])	**228.0**	196.0
Other tax and social security	**74.2**	65.7
Other payables	**23.0**	18.2
Accruals (restated[1])	**470.1**	520.6
	795.3	800.5
Amounts expected to be settled after more than one year:		
Trade payables	**40.4**	36.5
Accruals	**6.8**	10.2
	47.2	46.7
Total trade and other payables	**842.5**	847.2
Comprising		
Financial liabilities (note 29)	**759.0**	774.0
Non-financial liabilities	**83.5**	73.2
	842.5	847.2

1. Amounts owed to related parties of £2.3m previously included within accruals have been restated to be included within trade payables for FY23, see note 2.02 for further details.

At 31 March 2024, trade payables include subcontractor retentions of £74.1m (FY23: £53.8m) relating to construction contracts, of which £40.4m (FY23: £36.5m) are non-current liabilities.

	2024 £m	Restated 2023 £m
Amounts expected to be settled within one year:		
Company		
Other payables	**5.1**	9.6
Accruals	**0.2**	0.7
Amounts owed to Group undertakings [1 & 2]	**1.8**	1.8
Total trade and other payables	**7.1**	12.1

1. All amounts owed to Group undertakings are unsecured, interest free, and repayable on demand.
2. Amounts owed to Group undertakings in FY23 have been restated by £18.5m from £20.3m to £1.8m. See note 2.02 for further details.

24 Provisions

	Claims and litigation (previously 'Insurance technical provisions') £m	Employee provisions £m	Defects provisions[2] £m	Onerous contract provisions[2] £m	Other provisions[1&2] £m	Total provisions £m
At 1 April 2023 (restated[1])	**10.6**	**17.3**	**87.5**	**204.9**	**10.7**	**331.0**
Provisions created	**1.4**	**5.0**	**61.7**	**73.9**	**1.4**	**143.4**
Provisions utilised	**–**	**–**	**(21.3)**	**(65.6)**	**(3.4)**	**(90.3)**
Unwind of discount	**–**	**–**	**–**	**4.3**	**–**	**4.3**
Transfer from/(to) accruals	**–**	**13.2**	**(5.0)**	**–**	**(0.2)**	**8.0**
Exchange differences	**–**	**(0.5)**	**–**	**(5.8)**	**–**	**(6.3)**
At 31 March 2024	**12.0**	**35.0**	**122.9**	**211.7**	**8.5**	**390.1**
Disclosed within:						
Current liabilities	**–**	**21.1**	**122.9**	**66.9**	**3.7**	**214.6**
Non-current liabilities	**12.0**	**13.9**	**–**	**144.8**	**4.8**	**175.5**
	12.0	**35.0**	**122.9**	**211.7**	**8.5**	**390.1**
At 1 April 2022 (as previously reported[2])	30.6	10.6	49.2	7.6	11.8	109.8
Restatement - allocation of insurance technical provision (see note 2.02 for details)	(23.9)	6.9	14.7	–	2.3	–
At 1 April 2022 (restated[1])	6.7	17.5	63.9	7.6	14.1	109.8
Provisions created	3.9	1.2	27.1	209.1	0.9	242.2
Provisions utilised	–	(0.8)	(23.5)	(5.5)	(4.3)	(34.1)
Restatement – grossing up of insurance technical provision (see note 2.02 for details)	–	–	20.1	–	–	20.1
Exchange differences	–	(0.6)	(0.1)	(6.3)	–	(7.0)
At 31 March 2023 (restated[1])	10.6	17.3	87.5	204.9	10.7	331.0
Disclosed within:						
Current liabilities (restated[1])	–	7.0	87.5	67.3	7.5	169.3
Non-current liabilities (restated[1])	10.6	10.3	–	137.6	3.2	161.7
	10.6	17.3	87.5	204.9	10.7	331.0

1. See note 2.02 for details of restatement.
2. There is a presentational change in FY24 where the category of contract provisions has been separated to form two new categories of defect provisions and onerous contract provisions. This presentational change has been made to provide further visibility of the nature of provisions within the business. Also, the previously disclosed category of joint venture provisions (balance at 1 April 2022 £11.0m, 31 March 2023 £6.7m) is now included within other provisions.

Claims and litigation provisions relate to provisions held by the Group's captive insurer Laing O'Rourke Insurance Limited that are actuarially valued. Such provisions are held until utilised or such time as further claims are considered unlikely under the respective insurance policies. Due to the nature of the provisions for insurance claims, the timing of any potential future outflows in respect of the liabilities is uncertain but are not expected to crystallise within 12 months of the balance sheet date, and therefore, liabilities for unagreed claims are classified as non-current.

The employee provision includes an accrual of long-service leave for employees in Australia. The non-current element is a calculation of long-service leave for employees who have not yet reached their long-service target. The utilisation of the provision is dependent on employee attrition and utilisation of accrued leave. This employee provision also includes a provision for end of service benefits in the UAE branches. In accordance with the provisions of IAS 19 (revised), management has carried out an exercise to assess the present value of its obligations at 31 March 2024 and 2023, using the projected unit credit method, in respect of employees' end of service benefits payable in accordance with the UAE branches terms of employment. Under this method, an assessment has been made of an employee's expected service life with the UAE branches and the expected basic salary at the date of leaving the service. Management has assumed average incremental costs of 5 per cent (FY23: 5 per cent). The expected liability at the date of leaving the service has been discounted to its net present value using a discount rate of 4.91 per cent (FY23: 4.79 per cent). Employee provisions also include £9.2m (FY23: £6.1m) of provisions held by the Group's captive insurer, Laing O'Rourke Insurance Limited for employee death and injury claims.

24 Provisions (continued)

At 31 March 2024, defects provisions relates to rectification works across a number of legacy projects, which are all classified as current. The Group does not in all cases have access to the site to fully assess the costs of rectification and, therefore, there is no certainty as to the level of costs that will ultimately be incurred to settle them. As described further in note 2.27(d), these liabilities are therefore considered a key source of estimation uncertainty. Unless the timing of the rectification works is known and will occur more than 12 months after the balance sheet date, these liabilities are shown as current.

Onerous contract provisions includes a claims provision provided in respect of a private arbitration that is ongoing at the end of the reporting period. This claim is in respect of a contract terminated during the 2017 financial year. An amount of £137.9m (AUD$266.2m) (FY23: £143.7m (AUD$254.5m)) has been recognised within provisions. This matter is subject to an ongoing private arbitration with a final award not expected to be issued before September 2025. Refer to note 2.27(b) and to note 35 post balance sheet events for further detail. The remaining balance relates to other loss making contracts which will unwind over the remaining life of those contracts.

Within other provisions, the Group provides in full for obligations to remedy net liabilities of jointly controlled entities in excess of amounts already loaned. At 31 March 2024 these provisions amounted to £3.3m (FY23: £6.7m) and were measured in accordance with the Group's accounting policies. Amounts provided are assessed based on judgements of contract costs, contract programmes, and maintenance liabilities and are expected to be paid within one year. The remaining balance of other provisions relates to public liability provisions.

25 Deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities are set off in the statement of financial position where they relate to corporate income taxes levied by the same taxation authority and there is a legally enforceable right to offset current tax assets against current tax liabilities. This note sets out the Group's deferred tax assets and liabilities without applying such offset.

Net deferred tax position at 31 March

	2024 £m	2023 £m
Deferred tax assets	**124.6**	142.2
Deferred tax liabilities	**–**	(6.4)
	124.6	135.8

A summary table reconciling the deferred tax assets and deferred tax liabilities in the statement of financial position to the remainder of this note is also set out below:

Recognised deferred tax assets and liabilities

	Assets 2024 £m	Assets 2023 £m	**Liabilities 2024 £m**	Liabilities 2023 £m	**Net 2024 £m**	Net 2023 £m
Property, plant, and equipment	**36.0**	31.5	**(43.1)**	(40.4)	**(7.1)**	(8.9)
Other temporary differences	**22.2**	18.8	**(19.3)**	(14.7)	**2.9**	4.1
Tax losses carried forward	**130.8**	143.3	**–**	–	**130.8**	143.3
Intangible assets	**–**	–	**(2.0)**	(2.7)	**(2.0)**	(2.7)
Deferred tax assets/(liabilities)	**189.0**	193.6	**(64.4)**	(57.8)	**124.6**	135.8

Movements in deferred tax assets and liabilities during the year

	At 1 April 2023 £m	Exchange and other movements £m	Recognised in income £m	Recognised in equity £m	**As at 31 March 2024 £m**
Property, plant, and equipment	(8.9)	–	1.8	–	**(7.1)**
Other temporary differences	4.1	(0.2)	(1.0)	–	**2.9**
Tax losses carried forward	143.3	(1.3)	(11.2)	–	**130.8**
Intangible assets	(2.7)	–	0.7	–	**(2.0)**
	135.8	(1.5)	(9.7)	–	**124.6**

25 Deferred tax assets and liabilities (continued)

	At 1 April 2022 £m	Exchange and other movements £m	Recognised in income £m	Recognised in equity £m	As at 31 March 2023 £m
Property, plant, and equipment	(14.0)	0.4	4.7	–	(8.9)
Other temporary differences	19.1	(1.0)	(14.0)	–	4.1
Tax losses carried forward	43.2	(1.4)	101.5	–	143.3
Intangible assets	(1.3)	–	(1.4)	–	(2.7)
	47.0	(2.0)	90.8	–	135.8

The recognised deferred tax assets include £108.2m (FY23: £109.2m) which primarily relates to carried forward losses in relation to the UK operations. The losses arose prior to FY24 and the current portfolio of contracts is profitable and is forecast to continue to be and the Group has concluded that these deferred tax assets will be recovered using the estimated future taxable income, which is based on the approved forecasts prepared by management. These forecasts cover future years and take into account UK tax laws that, in broad terms, restrict the offset of the carried forward tax losses to 50 per cent of the current year profits. The UK Group entities are expected to generate taxable profits in the future. The losses can be carried forward indefinitely and have no expiry date. Changes in future profits will impact the recoverability of the deferred tax assets; refer to note 2.27(f) for further detail. Current forecasts indicate that the losses will be materially utilised over a period of up to 15 years. Refer to note 2.27(f) and the going concern section in the consolidated management report for further detail around the forecast profitability as well as the key assumptions and areas of estimation uncertainty.

Other temporary differences relate mainly to assets in Laing O'Rourke Australia Pty Limited, where employee benefits, project accruals, and cost provisions are expensed in one period but deducted against tax in another.

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of the following items:	**2024 £m**	2023 £m
Tax losses	**61.4**	62.8

The Group has unrecognised deferred tax assets of £61.4m (FY23: £62.8m) relating to unused tax losses of £232.2m (FY23: £237.8m) predominantly generated from Canadian operations which are equity accounted.

The tax losses have arisen in the Group and can be carried forward to future periods for use against part of future profits. The losses can be carried forward indefinitely and have no expiry date. No deferred tax asset has been recognised in respect of these amounts as future taxable profits to utilise these losses are not considered probable in the entities to which they relate.

The Group has undistributed earnings of £12.5m (FY23: £30.9m) which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the Group is able to control the timing of distributions from subsidiaries and is not expected to distribute these profits in the foreseeable future.

26 Share capital

Group and Company: Allotted, called up and fully paid	**2024 £**	2023 £
9,142 ordinary €1 shares (FY23: 9,142)	**6,211**	6,211

The authorised share capital of Laing O'Rourke Corporation Limited at 31 March 2024 was 18,000 ordinary shares of €1 each (FY23: 18,000 shares of €1 each).

27 Reconciliation of movements in equity

GROUP	Called-up share capital[1] £m	Share premium £m	Foreign currency translation reserve £m	Retained earnings/ (accumulated losses) £m	**Total shareholders' equity £m**	Non-controlling interests £m	**Total equity £m**
At 1 April 2022	0.0	344.6	31.7	28.4	**404.7**	0.1	**404.8**
Loss for the year	–	–	–	(196.5)	**(196.5)**	–	**(196.5)**
Other comprehensive expense after tax	–	–	(9.2)	–	**(9.2)**	–	**(9.2)**
Total comprehensive expense for the year	–	–	(9.2)	(196.5)	**(205.7)**	–	**(205.7)**
Dividends paid	–	–	–	–	**–**	(0.1)	**(0.1)**
At 31 March 2023	**0.0**	**344.6**	**22.5**	**(168.1)**	**199.0**	**0.0**	**199.0**
Profit for the year	–	–	–	7.6	**7.6**	–	**7.6**
Other comprehensive expense after tax	–	–	(5.6)	–	**(5.6)**	–	**(5.6)**
Total comprehensive expense for the year	–	–	(5.6)	7.6	**2.0**	–	**2.0**
At 31 March 2024	**0.0**	**344.6**	**16.9**	**(160.5)**	**201.0**	**0.0**	**201.0**

1. These financial statements are rounded to the nearest £100,000. Share capital of the parent company of the Group as at 31 March in both years was £6,211.

Foreign currency translation reserve
The translation reserve comprises all foreign exchange differences arising from the translation of the financial results of foreign operations.

Retained earnings/(accumulated losses)
Retained earnings/(accumulated losses) relate to the proportion of net income retained by the Group less distributions.

COMPANY	Called-up share capital[1] £m	Share premium £m	Accumulated losses £m	**Total equity £m**
At 1 April 2022	0.0	344.6	(8.2)	**336.4**
Profit for the year	–	–	4.2	**4.2**
Other comprehensive income after tax	–	–	–	**–**
Total comprehensive income for the year	–	–	4.2	**4.2**
At 31 March 2023	**0.0**	**344.6**	**(4.0)**	**340.6**
Loss for the year	–	–	(1.0)	**(1.0)**
Other comprehensive expense after tax	–	–	–	**–**
Total comprehensive expense for the year	–	–	(1.0)	**(1.0)**
At 31 March 2024	**0.0**	**344.6**	**(5.0)**	**339.6**

1. These financial statements are rounded to the nearest £100,000. Share capital of the Company as at 31 March in both years was £6,211.

28 Guarantees and contingent liabilities

The Group had contingent liabilities at 31 March 2024 in respect of:

Guarantees

	2024 £m	2023 £m
Surety bonds (including performance bonds)	**281.7**	289.3
Bank guarantees	**77.3**	143.9
	359.0	433.2

Of the above guarantees, £28.6m (FY23: £28.6m) were collateralised at 31 March 2024. These guarantees may give rise to liabilities if the Group does not meet its obligations under the terms of the guarantees. No material losses are anticipated in respect of any of the above guarantees.

However, in April 2017, Laing O'Rourke Australia Construction Pty Limited commenced court proceedings against a consortium partner to restrain a call on AUD$49.4m (£26.9m) of insurance bonds in relation to the terminated contract. Following two judgments in favour of Laing O'Rourke Australia Construction Pty Limited, on 8 March 2018 Laing O'Rourke Australia Construction Pty Limited and the consortium partner reached an interim settlement of the bond dispute whereby the consortium partner agreed not to call on the bonds except in accordance with the final resolution of the contract in private arbitration. As a result of events in April 2023, the consortium partner is no longer entitled to have recourse to AUD$46.2m (£23.9m) of performance bonds and is entitled to have recourse to AUD$3.2m (£1.7m) of advance payment bonds to the extent of any unpaid advance to the Group (subject to set off). Subsequent to year end, on 24 May 2024, the AUD$46.3m (£24.0m) of performance bonds were returned to Laing O'Rourke Australia Construction Pty Limited.

Claims

The Company has subsidiaries that have a conventional contractor's liability in relation to construction and engineering contracts, including but not limited to guarantees, counter-indemnities and guarantees in respect of their share of certain contractual obligations of joint arrangements, consortia and other similar relationships. This liability includes various claims from time to time by the Group or subsidiaries against third parties or claims by third parties against the Group or its subsidiaries or joint arrangements or consortia relationships in which the Group has an interest. It is not possible to estimate the financial effect of these claims should they be successful. While the outcome of these claims is uncertain, where it is appropriate to do so the directors believe that adequate allowance has been made within the contract provisions in note 24.

Provisions are recognised for the directors' best estimate of known defects, legal claims, investigations, and legal actions relating to the Group that are considered more likely than not will result in an outflow of economic benefit. If the directors consider that an economic outflow in relation to a defect, claim, investigation, or action relating to the Group is not probable, and/or consider that there is no present obligation, no provision is recognised. Furthermore, if the directors cannot make a reliable estimate of a potentially material obligation then no provision is recognised, but details of any potentially material claims are disclosed.

Apart from the matters for which a provision has been recognised (see note 24), including those recognised in FY24 and classified as exceptional costs (see note 5), the directors are aware of a number of matters that the Group is monitoring that could develop into claims made under the Defective Premises Act, including claims made in relation to remedial works undertaken by others as a result of the Government's building safety pledge/Developer Remediation Contract. The Group holds insurance policies that may reimburse the Group for some or all of any outflow of economic benefits in respect of any such claim, albeit such reimbursement can only be recognised when it is virtually certain. For these additional matters, at present, there is limited information available to the directors to determine whether the Group has a present obligation where an outflow of economic benefit is probable and/or to make a reliable estimate of the liability to the Group and so no provision is recorded. Any future potential exposure in relation to these matters cannot, at this stage, be reliably quantified.

Joint arrangements

The Group has subsidiaries that have entered into joint arrangements under which the subsidiaries may be jointly and severally liable for the liabilities of the joint arrangements.

29 Financial instruments

29.1 Financial risk management

Financial risk management is an integral part of the way the Group is managed. In the course of its business, the Group is exposed primarily to foreign currency risk, interest rate risk, liquidity risk, and credit risk. The overall aim of the Group's financial risk management policies is to minimise potential adverse effects on financial performance and net assets.

The Group's Treasury function manages the principal financial risks within policies and operating parameters approved by the Board. Treasury is not a profit centre and does not enter into speculative transactions.

29 Financial instruments (continued)

29.2 Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate as a result of changes in foreign exchange rates. The pound sterling equivalents of the currency of the Group's financial assets and liabilities were as follows:

	Pound sterling value of equivalent currency (£m)							
	2024 GBP	2024 EUR	2024 AUD	2024 AED	2024 CAD	2024 HKD	2024 Other	2024 Total
Loans to joint ventures (note 15)	**8.0**	**–**	**–**	**–**	**–**	**–**	**–**	**8.0**
Trade and other receivables (note 19)	**104.3**	**–**	**68.6**	**19.5**	**6.9**	**0.7**	**0.1**	**200.1**
Cash and cash equivalents (note 21)	**159.2**	**2.0**	**276.7**	**8.0**	**–**	**0.7**	**0.1**	**446.7**
Total financial assets	**271.5**	**2.0**	**345.3**	**27.5**	**6.9**	**1.4**	**0.2**	**654.8**
Borrowings (note 22)	**(181.6)**	**–**	**(74.0)**	**(9.7)**	**–**	**(0.3)**	**–**	**(265.6)**
Trade and other payables (note 23)	**(483.9)**	**(0.1)**	**(213.4)**	**(60.8)**	**(0.1)**	**(0.7)**	**–**	**(759.0)**
Net financial (liabilities)/assets	**(394.0)**	**1.9**	**57.9**	**(43.0)**	**6.8**	**0.4**	**0.2**	**(369.8)**

	Pound sterling value of equivalent currency (£m) (restated[1])							
	2023 GBP	2023 EUR	2023 AUD	2023 AED	2023 CAD	2023 HKD	2023 Other	2023 Total
Loans to joint ventures	8.0	–	–	–	–	–	–	8.0
Trade and other receivables (restated; see note 19)	96.3	–	80.6	37.8	7.1	1.3	–	223.1
Cash and cash equivalents	166.4	5.0	225.8	25.4	–	5.4	0.1	428.1
Total financial assets	270.7	5.0	306.4	63.2	7.1	6.7	0.1	659.2
Borrowings	(176.4)	–	(51.9)	(12.5)	–	–	–	(240.8)
Trade and other payables (see note 23)	(416.4)	(0.1)	(209.4)	(146.2)	(0.1)	(1.8)	–	(774.0)
Net financial (liabilities)/assets	(322.1)	4.9	45.1	(95.5)	7.0	4.9	0.1	(355.6)

1. All of the borrowings not denominated in GBP totalling £84.0m (FY23: £64.4m) are used to finance overseas operations. See note 2.02 for details of restatement. Trade and other receivables in GBP for the year end 31 March 2023 have been restated from £76.2m to £96.3m due to a gross up of insurance recovery. See notes 2.02 and 19 for details of the restatement.

If the foreign exchange rates that the Group is exposed to had changed adversely by 10 per cent at the balance sheet date, the net financial (liabilities)/assets would have decreased by £2.2m (FY23: £3.0m).

At the year end the Parent Company had no significant balances in foreign currencies.

The pound sterling equivalents of the currency of the Parent Company's financial assets and liabilities were as follows:

	Pound sterling value of equivalent currency (£m)							
Company	2024 GBP	2024 EUR	2024 AUD	2024 AED	2024 CAD	2024 HKD	2024 Other	2024 Total
Borrowings (note 22)	**(132.5)**	**–**	**–**	**–**	**–**	**–**	**–**	**(132.5)**
Trade and other payables (note 23)	**(7.1)**	**–**	**–**	**–**	**–**	**–**	**–**	**(7.1)**
Net financial liabilities	**(139.6)**	**–**	**–**	**–**	**–**	**–**	**–**	**(139.6)**

29 Financial instruments (continued)

29.2 Foreign currency risk (continued)

	Pound sterling value of equivalent currency (£m) (restated[1])							
	2023 GBP	2023 EUR	2023 AUD	2023 AED	2023 CAD	2023 HKD	2023 Other	2023 Total
Cash and cash equivalents	0.1	–	–	–	–	–	–	0.1
Total financial assets	0.1	–	–	–	–	–	–	0.1
Borrowings	(126.7)	–	–	–	–	–	–	(126.7)
Trade and other payables (see note 23)	(12.1)	–	–	–	–	–	–	(12.1)
Net financial liabilities	(138.7)	–	–	–	–	–	–	(138.7)

29.3 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk in relation to some of its borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The contractual repricing or maturity dates, whichever are earlier, and effective interest rates of total borrowings, are as follows:

	Repricing/maturity date					
	Total £m	**Within one year £m**	**Between one and two years £m**	**Between two and five years[1] £m**	**After five years[1] £m**	**Effective interest rate per cent**
At 31 March 2024						
Bank loans	**85.0**	**29.3**	**28.8**	**25.9**	**1.0**	**9.08%**
Lease obligations	**180.6**	**45.8**	**41.6**	**70.2**	**23.0**	**6.12%**
	265.6	**75.1**	**70.4**	**96.1**	**24.0**	
At 31 March 2023						
Bank loans	42.8	19.9	15.9	7.0	–	4.25%
Lease obligations	198.0	48.0	44.2	76.1	29.7	4.04%
	240.8	67.9	60.1	83.1	29.7	

1. The category of after two years disclosed in FY23 has been separated to form two new categories of between two and five years and after five years.

If interest rates on variable rate borrowings had been 1 per cent higher during the financial year, the results and equity would have reduced by £0.8m (FY23: £0.6m). This sensitivity analysis takes into account the tax impact. The Company has no external borrowings or lease obligations. In the prior year it was exposed to interest rate risk in regard to one balance owed to Group undertakings of £202.0m that attracted interest at the Bank of England base rate plus 0.5 per cent. From 1 April 2023 the loan was non-interest bearing; the Company incurred £5.7m of interest payable in FY23.

29.4 Liquidity risk

Prudent liquidity risk management involves maintaining sufficient cash and available funding to meet liabilities as they fall due. The Group has procedures in place to minimise liquidity risk, such as maintaining sufficient cash and other highly liquid current assets and by having an adequate amount of committed credit facilities.

On 19 October 2023 the Group refinanced its UK facilities, extending its £35.0m revolving credit facility. The facility has been maintained at £35.0m through to 31 March 2025, at which point quarterly £2.5m step-downs commence, reducing the facility to £25.0m by 31 December 2025. The new facility has three covenants related to adjusted EBITDA, minimum liquidity, and forecast liquidity. If any of these covenants are breached this will constitute an event of default on the Group's borrowing facilities. The Group takes a proactive stance in monitoring and ensuring compliance with covenants and reporting requirements. Procedures are in place to monitor and forecast cash usage and other highly liquid current assets. This, together with the revolving credit facility, ensures that we have an adequate availability of cash when required.

29 Financial instruments (continued)

29.4 Liquidity risk

Maturity of financial liabilities

The maturity profile of the carrying amount of the Group's financial liabilities including interest is as follows:

Group	Trade and other payables £m	Bank loans £m	Leases £m	Total £m
At 31 March 2024				
Within one year	**795.3**	**32.0**	**50.0**	**877.3**
Between one and less than two years	**11.3**	**32.8**	**44.9**	**89.0**
Between two and less than five years	**28.5**	**30.5**	**73.0**	**132.0**
Five or more years	**7.4**	**1.1**	**23.1**	**31.6**
	842.5	**96.4**	**191.0**	**1,129.9**
At 31 March 2023				
Within one year	800.5	20.7	52.9	874.1
Between one and less than two years	21.3	17.5	47.2	86.0
Between two and less than five years	19.8	7.9	74.9	102.6
Five or more years	5.6	–	33.2	38.8
	847.2	46.1	208.2	1,101.5

The Company has procedures in place to minimise liquidity risk, such as maintaining sufficient cash and other highly liquid current assets and by having an adequate amount of committed credit facilities.

Company	Borrowings[1] £m	Trade and other payables[1] £m	Total £m
At 31 March 2024			
Within one year	**132.5**	**7.1**	**139.6**
	132.5	**7.1**	**139.6**
At 31 March 2023 restated [1]			
Within one year	126.7	12.1	138.8
	126.7	12.1	138.8

1. Borrowings in FY23 have been restated from £202.0m to £132.5m and trade and other payables have been restated from £30.6m to £12.0m. See note 2.02 for further detail.

29.5 Credit risk

The Group's credit risk is the risk of financial loss if a client or counterparty to a financial instrument fails to meet its contractual obligations. The Group's financial assets are typically trade receivables and contract assets. Contract assets relate to unbilled work in progress and have substantially the same credit risk profile as trade receivables. The £8.0m (FY23: £8.0m) loan to joint ventures is not considered a significant debt to the Group, nor considered a higher credit risk as the counterparty continues to fulfil its contractual obligations. The funding and holding of PFIs is no longer a core activity for the Group. For cash and deposits the credit rating of a financial institution will determine the amount of and duration for which funds may be deposited.

The Group will only trade with recognised, creditworthy parties, and all that wish to trade on credit terms are subject to credit verification procedures that will be completed before trade commences. Any trade receivable outstanding is monitored on an ongoing basis, at both an operational business level and hub level. Payment is ordinarily received before or when due from our clients, and as such the Group does not expect material credit losses to occur on these clients. This is further substantiated by past performance of the Group substantially recovering in full balances owed. The Company also does not expect any losses from non-performance by counterparties.

Included within contract assets are client retentions contractually due post-completion, which can be due in more than one year due to the size and nature of projects. Procedures are in place to monitor project performance to identify any potential non-payment risk. Prompt action will be taken by management to reduce the risk of non-payment, but often this is an operational issue rather than determined as a credit risk.

29 Financial instruments (continued)

29.5 Credit risk (continued)

The Group applies the simplified approach to measuring credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets. At 31 March 2024, management have estimated an allowance for expected credit loss based on experience of past default and the current and future economic environment. Specific trade receivables are provided for if management become aware of a credit risk. There has not been a significant increase in the credit risk since the financial assets have been recognised. A debt is only written off once all avenues to collect have been exhausted, and there is no reasonable expectation of recovery.

29.6 Fair values

The fair value movements on held to collect and to sell financial assets are recognised in the consolidated statement of comprehensive income. There has been no change (FY23: no change) in financial assets held to collect and to sell in relation to PFI investments in joint ventures in the year.

The carrying and fair values of the Group's financial instruments at 31 March 2024 and 31 March 2023 are as follows:

	Fair value 2024 £m	**Carrying amount 2024 £m**	Fair value 2023 £m	Carrying amount 2023 £m
Financial assets measured at amortised cost (restated[1])	**654.8**	**654.8**	659.2	659.2
Financial liabilities measured at amortised cost	**(1,024.6)**	**(1,024.6)**	(1,014.8)	(1,014.8)

1. Financial assets measured at amortised cost have been restated from £639.1m by £20.1m to £659.2m. See note 2.02 for further detail.

The carrying and fair values of the Group's and Company's financial instruments were not materially different at 31 March 2024 as the impact of discounting on fixed term borrowings is not significant.

Loans, receivables, and financial liabilities are held at their amortised cost, which is deemed to reflect fair value due to their short-term nature.

29.7 Capital risk management

The Group's and Company's objectives when managing capital are to safeguard the Group's and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Laing O'Rourke Insurance Limited, as a wholly owned subsidiary of the Company, must also comply with the insurance capital required by the regulator, the Companies (Guernsey) Law 2008 and the Insurance Business (Bailiwick of Guernsey) Law 2002.

In order to maintain or adjust the capital structure, the Group and Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group regularly forecasts its cash position to manage on both a short-term and a long-term basis. Performance against forecasts is also reviewed and analysed to ensure the Group efficiently manages its net funds/debt position.

Net cash is calculated as cash and cash equivalents less total borrowings but excluding bank arrangement fees and the impact of IFRS 16 Leases (including 'current and non-current borrowings' as shown in the consolidated statement of financial position).

At 31 March 2024, the Group had net cash of £278.5m (FY23: £286.3m); see note 36.

The Group is required to hold regulatory capital for its captive insurance company in compliance with the rules issued by the Guernsey Financial Services Commission. The Company must hold assets in excess of the higher of two amounts. The first is based on a fixed percentage of premium income. The second is based on a fixed percentage of claims outstanding (including claims incurred but not reported). In addition, the Company must complete its own risk solvency assessment which is reviewed by the Guernsey Financial Services Commission. The Group's capital is sufficient to meet all regulatory requirements.

30 Alternative performance measures

The Group presents certain measures of financial performance and position in the consolidated financial statements that are not defined or specified according to IFRS, to provide additional performance-related measures to its stakeholders. These measures, referred to as alternative performance measures (APMs), are prepared on a consistent basis for all periods presented in this report.

By their nature, the APMs used by the Group are not necessarily uniformly applied by peer companies and therefore may not be comparable with similarly defined measures and disclosures applied by other companies. Such measures should not be viewed in isolation or as a substitute to the equivalent IFRS measure.

Separate presentation of these items is intended to enhance understanding of the financial performance of the Group in the particular year under review and the extent to which results are influenced by material, unusual in nature and non-recurring items. The directors consider that doing so clarifies the presentation of the financial statements and better reflects the internal management reporting and the measures used internally to assess business performance. The directors also believe that disclosing these performance measures enhances users of the accounts ability to evaluate and assess the underlying financial performance of the Group's operations and the related key business drivers.

Internally, the Group and its operating segments apply the same APMs in a consistent manner in planning and reporting on performance to management and the Board.

The APMs used by the Group are described below, together with a reference to their use and, where not already provided, a reconciliation to the relevant IFRS information.

APM description and purpose	Note reference	Closest IFRS measure
Managed revenue Total revenue, including share of joint ventures' and associates' revenue and inter-segment revenue. This is primarily used at the segment level to measure the total income of all the activities in the segment, regardless of ownership or intercompany relationship. The reconciliation to revenue is shown in note 4.	Note 4	Revenue
Total revenue including share of joint ventures and associates This is used primarily at the Group level to assess revenue earned from third-party customers, including by joint ventures and associates. The reconciliation to revenue is shown in note 4.	Note 4	Revenue
Pre-exceptional gross margin Pre-exceptional gross margin is calculated as pre-exceptional gross profit/(loss) divided by pre-exceptional Group revenue as shown in the consolidated income statement.		
EBIT pre-exceptional items This is another term for profit/(loss) from operations before exceptionals as disclosed in the income statement. Exceptional items, as disclosed in note 5, are excluded. The reconciliation to profit/(loss) from operations is shown in note 4.	Note 4	
EBITDA post-exceptional items This is equal to profit/(loss) from operations as disclosed in the income statement before depreciation and amortisation of tangible and intangible assets. The reconciliation to profit/(loss) from operations is shown in note 4.	Note 4	
EBITDA pre-exceptional items This is equal to profit/(loss) from operations as disclosed in the income statement before depreciation and amortisation of tangible and intangible assets. Exceptional items, as disclosed in note 5, are excluded. The reconciliation to profit/(loss) from operations is shown in note 4.	Note 4	
Net cash This is a measure of the overall liquidity position of the business at the statement of financial position date. It is equal to cash and cash equivalents less borrowings, excluding bank arrangement fees and the impact of adopting IFRS 16 Leases.	Note 36	

	FY24 £m	FY23 £m
Cash and cash equivalents (see statement of financial position)	**446.7**	428.1
Current borrowings (see statement of financial position)	**(75.1)**	(67.9)
Non-current borrowings (see statement of financial position)	**(190.5)**	(172.9)
Less impact of IFRS 16 Leases	**97.4**	99.0
Net cash (see note 36)	**278.5**	286.3

31 Assets charged as security for liabilities and collateral accepted as security for assets

Financial assets pledged as short-term collateral and included within cash equivalents were £28.6m (FY23: £28.6m).

As part of the Group's management of its insurable risks, a proportion of this risk is managed through self-insurance programmes operated by its captive insurance subsidiary company, Laing O'Rourke Insurance Limited. This company is a wholly owned subsidiary of the Group and premiums paid are held to meet future claims. The cash balances held by Laing O'Rourke Insurance Limited are reported within cash and cash equivalents. As is usual practice for captive insurance companies, some of the cash is used as collateral against contingent liabilities, and standby letters of credit to the value of £8.0m (FY23: £8.0m) have been provided to certain external insurance companies. The standby letters of credit have been issued via banking facilities that Laing O'Rourke Insurance Limited has in place.

No financial assets have been provided to the Group as collateral (FY23: £nil).

32 Financial and capital commitments

Capital expenditure for property, plant, and equipment authorised and contracted for which has not been provided for in the consolidated financial statements amounted to £35.4m (FY23: £15.3m) in the Group.

33 Related party transactions and balances

Identity of related parties

The Group has a related party relationship with its major shareholders, subsidiaries, joint arrangements, associates, and key management personnel.

Group

The Group received income and incurred expenses with related parties from transactions made in the normal course of business.

Sale of goods and services provided to related parties

	2024		2023	
	Income earned in year £m	**Receivable at year end £m**	Income earned in year £m	Receivable at year end £m
Joint ventures				
Alder Hey SPV (interest on subordinated debt)	**1.1**	**8.0**	1.1	8.0
BYLOR Services Limited (payroll services)	**0.2**	**–**	0.2	–
Explore Transport Limited (IT cost, test and inspect charges, depot charges)	**2.9**	**0.2**	0.2	0.1
Health Montreal Collective CJV (Limited Partnership)[1]	**–**	**6.9**	–	7.2
Other related parties				
Oisin Aviation (Jersey) LP (employment and office cost)	**–**	**–**	0.2	–
Oisin Capital Limited (office and admin cost)	**0.3**	**0.1**	0.4	–
Suffolk Partners Corporation (interest on loan)	**1.8**	**24.0**	1.1	22.2

Purchase of goods and services provided by related parties

	2024		2023	
	Expenses paid in year £m	**Payable at year end £m**	Expenses paid in year £m	Payable at year end £m
Joint ventures				
BYLOR Services Limited (employment cost)	**284.8**	**11.4**	210.8	–
Emirates PreCast Construction LLC (concrete products)	**1.0**	**–**	1.4	1.0
Explore Transport Limited (transport and plant hire)	**60.6**	**3.9**	55.2	4.9
Other related parties				
Mark Holding and Finance Limited (leased premises)	**1.7**	**–**	1.8	0.5
Oisin Aviation (IOM) LP (aviation cost)	**0.1**	**–**	0.1	–
Oisin Aviation (Jersey) LP (aviation cost)	**0.3**	**–**	0.3	–
Steetley Investments Limited (leased premises)	**6.1**	**2.0**	6.1	2.0

1. Related party transactions for FY23 have been represented in the table above. FY23 amounts receivable at year end have been increased by £7.2m due to incorrect non-disclosure of the relationship in the prior year.

33 Related party transactions and balances (continued)

The related party receivables and payables are not secured and no guarantees were received in respect thereof. All will be settled in accordance with normal credit terms. Amounts due to and from joint ventures and associates at 31 March 2024 are disclosed within investments in joint ventures and associates, trade and other receivables, and trade and other payables in notes 15, 19, and 23 respectively. No amounts were written off in the year by either party in respect of amounts payable/receivable under the agreements entered into.

Alder Hey (Special Purpose Vehicle) Limited, BYLOR Services Limited, Emirates PreCast Construction LLC, Explore Transport Limited, and Health Montreal Collective CJV (Limited Partnership) are related parties by virtue of the fact that they are joint venture undertakings of the Laing O'Rourke Corporation Group.

In both years all invoices from Mark Holding and Finance Limited and Steetley Investments Limited were paid to Ebsworth Holding and Finance Limited. During the year the interests in Mark Holding and Finance Limited, Steetley Investments Limited and Ebsworth Holding and Finance Limited were held in trust, the beneficiaries of which are R G O'Rourke KBE and the late H D O'Rourke.

The limited partners of Oisin Aviation (IOM) LP and Oisin Aviation (Jersey) LP were R G O'Rourke KBE and the late H D O'Rourke. The interests in Oisin Capital Limited were held in trust, the beneficiaries of which are R G O'Rourke KBE and the late H D O'Rourke.

R G O'Rourke KBE and the late H D O'Rourke are beneficiaries of the trust which ultimately owns Suffolk Partners Corporation.

Directors' remuneration

During the year the total remuneration of the directors was £5.2m (FY23: £8.6m) of which pension costs amounted to £nil (FY23: £nil); see note 7.

Transactions with directors

The late H D O'Rourke employed the Group to provide stonemasonry services; for a project which was complete at 31 March 2023. For these services £nil (FY23: £0.1m) was recognised as revenue. The balance outstanding at the year end was £nil (FY23: £nil). No amounts were written off in the year by either party in respect of amounts payable under the agreements entered into. The contract was based on normal commercial terms.

34 Ultimate parent company

R G O'Rourke KBE holds 64.2 per cent of the shares of Laing O'Rourke Corporation Limited and the late H D O'Rourke holds 35.8 per cent. The immediate and ultimate controlling party of Laing O'Rourke Corporation Limited is R G O'Rourke KBE by virtue of his majority shareholding (64.2 per cent).

35 Post balance sheet events

The disposal of Laing O'Rourke Joinery LLC was completed on 31 May 2024; AED 25m was received as consideration.

In June 2024, Laing O'Rourke Australia Construction Pty Ltd made an on-account and without admission payment of AUD$72m (£36m) in respect of the ongoing arbitration referred to in note 24. This has reduced the Group's provision recognised in relation to the arbitration in FY25.

On 5 July 2024, a loan of £40.0m, was advanced from Ebsworth Holding and Finance Limited, a related party, to the Group on commercial terms. The loan is for a term of two years.

36 Reconciliation of net cash flow to movement in net cash

	Liabilities from financing activities				
	Borrowings (note 22) £m	Leases £m	Sub-total £m	Cash and cash equivalents (note 21) £m	Net cash £m
As at 1 April 2022	(29.7)	(87.3)	(117.0)	456.1	339.1
Cash flow	(7.3)	–	(7.3)	37.9	30.6
New lease arrangements	–	(48.3)	(48.3)	–	(48.3)
Repayments**	5.7	50.8	56.5	(56.5)	–
Exchange differences	1.0	1.7	2.7	(9.4)	(6.7)
Impact of IFRS 16 at 31 March 2022	–	(112.8)	(112.8)	–	(112.8)
Impact of IFRS 16 at 31 March 2023	–	99.0	99.0	–	99.0
Other changes*	(12.5)	(2.1)	(14.6)	–	(14.6)
As at 31 March 2023	(42.8)	(99.0)	(141.8)	428.1	286.3
Cash flow	**(42.1)**	**–**	**(42.1)**	**92.5**	**50.4**
New lease arrangements	**–**	**(50.6)**	**(50.6)**	**–**	**(50.6)**
Repayments**	**19.9**	**46.9**	**66.8**	**(66.8)**	**–**
Transfers	**(17.4)**	**17.4**	**–**	**–**	**–**
Exchange differences	**0.8**	**1.6**	**2.4**	**(10.5)**	**(8.1)**
Impact of IFRS 16 at 31 March 2023	**–**	**(99.0)**	**(99.0)**	**–**	**(99.0)**
Impact of IFRS 16 at 31 March 2024	**–**	**99.1**	**99.1**	**–**	**99.1**
Other changes*	**–**	**0.4**	**0.4**	**–**	**0.4**
As at 31 March 2024	**(81.6)**	**(83.2)**	**(164.8)**	**443.3**	**278.5**

* Other changes include non-cash adjustments relating to lease liabilities and borrowings.

** Repayments is net of £10.7m interest (FY23: £8.7m).

The Group defines net cash as cash less debt, but excluding bank arrangement fees and the impact of adopting IFRS 16.

37 Principal subsidiaries, joint arrangements, and associates

These tables represent the Group's interest in ordinary voting shares of principal subsidiaries, joint arrangements, and associates for the year 31 March 2024. Principal subsidiaries, joint arrangements, and associates are those which are deemed significant to the business, either because of the quantum of their results or because of the nature of the business conducted.

Principal subsidiaries (all legally incorporated entities)	Principal activity	Group interest in ordinary voting shares	Principal place of business
Crown House Technologies Limited	Mechanical and electrical contracting	100%	United Kingdom
Explore 2050 Engineering Limited	Civil and structural engineering, piling, and demolition	100%	United Kingdom
Explore 2050 Manufacturing Limited	Manufacture of construction products	100%	United Kingdom
Laing O'Rourke Australia Construction Pty Limited	Building contracting, civil engineering, infrastructure, and plant hire	100%	Australia
Laing O'Rourke Australia Group Pty Limited	Holding company	100%	Australia
Laing O'Rourke Canada Limited	Building contracting and civil engineering	100%	Canada
Laing O'Rourke Delivery Limited	Building contracting, civil engineering, and infrastructure	100%	United Kingdom
Laing O'Rourke Construction Hong Kong Limited	Building contracting, civil engineering, and infrastructure	100%	Hong Kong
Laing O'Rourke Holdings Limited	Holding company	100%	United Kingdom
Laing O'Rourke Insurance Limited	Underwriting insurance	100%	Guernsey
Laing O'Rourke Middle East Holdings Limited	Building contracting and civil engineering	100%	Jersey
Laing O'Rourke Plc	Holding company	100%	United Kingdom

37 Principal subsidiaries, joint arrangements, and associates (continued)

Principal subsidiaries (all legally incorporated entities)	Principal activity	Group interest in ordinary voting shares	Principal place of business
Laing O'Rourke Services Limited	Service company	100%	United Kingdom
Laing O'Rourke Treasury Limited	Treasury company	100%	Jersey
O'Rourke Investments Holdings (UK) Limited	Holding company	100%	United Kingdom
Select Plant Hire Company Limited	Plant hire and operations	100%	United Kingdom
Suffolk Partners Three Limited	Treasury company	100%	British Virgin Islands
Laing O'Rourke Joinery L.L.C.	Building contracting and civil engineering	100%	United Arab Emirates

Joint ventures (all legally incorporated entities)	Principal activity	Group ownership interest	Principal place of business
Alder Hey (Special Purpose Vehicle) Limited	PFI accommodation operator hospital	40%	United Kingdom
BYLOR Services Limited	Service company	50%	United Kingdom
Emirates PreCast Construction LLC	Manufacture of precast concrete	40%	United Arab Emirates
Explore Transport Limited	Logistics	50%	United Kingdom
Health Montreal Collective CJV Limited Partnership	PFI accommodation operator hospital	50%	Canada
9231 – 9243 Quebec Inc	PFI accommodation operator hospital	50%	Canada

Emirates Precast Construction LLC and Alder Hey SPV Limited have a year end of 31 March. BYLOR Services Limited and Explore Transport Limited have a 31 December year end. Health Montreal Collective CJV Limited Partnership and 9231 – 9243 Quebec Inc have a 30 April year end.

Associates (all legally incorporated entities)	Principal activity	Group ownership interest	Principal place of business
Presien Holdings Pty Limited	Technology development	26%	Australia

Joint operations (unincorporated)	Principal activity	Group ownership interest	Principal place of business
BYLOR	Civil engineering	50%	United Kingdom
Darlington JV	Civil engineering	50%	Australia
Flinders Link JV	Civil engineering	50%	Australia
FLO – Thames Tideway Tunnel	Civil engineering	50%	United Kingdom
Great Northern Connect JV	Civil engineering	50%	Australia
JHLORJV – SSJ	Civil engineering	50%	Australia
North East Program Alliance JV	Civil engineering	50%	Australia
Pacific Complete JV[1]	Civil engineering	60%	Australia

1. Although the Group ownership interest is 60 per cent, these are treated as joint operations due to the joint control as detailed within each contract.

The registered address of those registered in Jersey is Level 4, International Finance Centre 1, St Helier, Jersey JE2 3BX.

The registered address of those registered in England and Wales is Bridge Place, Anchor Boulevard, Admirals Park, Dartford, Kent DA2 6SN excluding Alder Hey (Special Purpose Vehicle) Limited, Alder Hey Holdco 1 Limited, Alder Hey Holdco 2 Limited and Alder Hey Holdco 3 Limited whose registered address is 8 White Oak Square, London Road, Swanley, Kent BR8 7AG,

The registered address of those registered in Australia is Level 21, 100 Mount Street, North Sydney, NSW 2060, Australia.

The registered address of Emirates Precast Construction L.L.C. is P.O. Box 10062, Jebel Ali Industrial Area 2, Dubai, U.A.E.

The registered address of Laing O'Rourke Joinery L.L.C. is P.O. Box 121895, Dubai,, U.A.E.

The registered address of Suffolk Partners Three Limited is Trident Chambers, P.O. Box 146, Road Town, Tortola, VG1110, British Virgin Islands.

The registered address of those registered in Hong Kong is RM905, 625 King's Road, Quarry Bay, Hong Kong.

The registered address of those registered in Canada is 1031 Saint-Denis Street, Montreal, Quebec, Canada.

The registered address of Laing O'Rourke Insurance Limited is Mill Court, La Charroterie, St Peter Port, Guernsey GY1 4ND.

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