

News

23.02.16

Morgan Sindall Investments assists parent Group's results



Project development and funding solutions specialist Morgan Sindall Investments Limited (MSIL) has contributed to preliminary results for the year ended 31 December 2015 released today (23 February 2016) by parent company Morgan Sindall Group plc, the construction and regeneration group.

The Group's adjusted operating profit was up 34 per cent to £38.8 million (2014: £28.9 million) on revenues of £2,385 million which rose 7 per cent on the previous year (2014: £2,220 million). This was driven by 20 per cent revenue growth in Fit Out and in Construction & Infrastructure which was up 5 per cent. The Group's strategically important mixed-tenure regeneration housing activities in Affordable Housing, also saw a 29 per cent revenue increase. The reported operating loss for the year was £10.3 million (2014: £26.5 million profit) after taking account of exceptional operating items relating to two old construction contracts taken over on the acquisition of Amec in 2007. The Group finished the year with a net cash position of £58 million (2014: £56 million). Adjusted earnings per share were up 35 per cent on last year at 63.0p (2014: 46.7p). The dividend for the year is 29.0p, up from 2014's 27.0p per share.

Key large-scale investment projects for MSIL in 2015 were:

National

- **HB Villages:** In a joint venture with bespoke supported living developer HB Villages - HB Community Solutions, MSIL continued to deliver new supported living apartments across the country. In 2015, the company completed four new schemes with a further 14 starting construction.
- **Social Infrastructure Development (SID) Framework:** MSIL with its sister companies construction and infrastructure provider Morgan Sindall Construction & Infrastructure and housing provider Lovell, was one of five consortiums appointed last year to a four-year national framework led by NPS Property Consultants which will deliver up to £3 billion of public sector investment. The SID framework will be used for projects that span the public sector from schools and housing through to police stations and care homes with projects ranging from £3 million to £50 million in value.

Scotland

- **hub West Scotland:** As part of the public private joint venture organisation hub West Scotland, MSIL is delivering over £200 million of public sector infrastructure projects for 16 West Scotland government organisations across Glasgow, Inverclyde, East and West Dunbartonshire, East Renfrewshire and Renfrewshire. During 2015 MSIL reached financial close on 11 new schemes which range from the delivery of a new support needs secondary school to a community hub and leisure centre.

Sister company Morgan Sindall Construction & Infrastructure is working with MSIL as main contractor on four of these schemes. In West Dunbartonshire MSIL also reached financial close on the new £9.5 million Bellsmyre school campus on the grounds of St Peter's Primary School in Dunbarton. The new school is due for completion in early 2016.

North West

- North West, Priority Schools Building Programme: MSIL and its investment partner Equitix Limited reached financial close on the Education Funding Agency's North West, Priority Schools Building Programme batch. This is the third PF2 batch of schools to close and has a capital value of £110 million. The batch consists of five secondary schools and seven primary schools which will benefit 8,150 pupils across the North West. MSIL's sister company Morgan Sindall Construction & Infrastructure is carrying out the design and construction of the schools which are based in Chester, Wigan, Blackpool, Birkenhead, Runcorn, Stockport and Manchester. The build programme is now under way with the schools due for completion between April 2016 and September 2017.

Central

- Burton Strategic Infrastructure and Estate Partnership: Strategic Transformation Real Innovation and Delivery Excellence Limited Liability Partnership ('STRIDE LLP'), a joint venture between MSIL's health sector subsidiary, Community Solutions Partnership Services Ltd ('CSPS') and Arcadis LLP, was appointed by Burton Hospitals NHS Foundation Trust as its Strategic Infrastructure and Efficiency Partner ('SIEP') to deliver significant efficiency savings, infrastructure projects and refurbishment works, ranging from £50,000 to £50 million over a 10 year partnering agreement. The aim of the partnership is to enable private sector expertise to develop a strategy that will support the transformation of the estates by driving efficiencies and optimising asset and estate planning.

South

- Bournemouth regeneration: During 2015, MSIL as part of the Bournemouth Development Company LABV, completed the sale of all 64 apartments in the new £12 million, five-storey Citrus Building at Leyton Mount in Bournemouth. Plans for over 100 new rental homes in Bournemouth town centre were also approved for the development next phase. The first residential scheme to go ahead is Berry Court, a development of 113 high-quality apartments for the private rental market. A further three sites are currently going through planning.

The Bournemouth Development Company is a regeneration partnership delivering Bournemouth Council's Town Centre Vision. The LABV scheme has a development value of between £350 million and £500 million and is a 50/50 joint venture Public Private Partnership between the council and MSIL. When completed, it will provide a range of residential and mixed-use development including leisure attractions, new housing, shops and offices across 16 sites under a 20-year scheme. The joint venture partnership is benefiting from the design and construction capability of Morgan Sindall Group's housing regeneration specialist Lovell and Morgan Sindall Construction and Infrastructure.

- Slough Urban Renewal: Planning permission for Milestone, a residential development of 73 homes which will include affordable housing, in Ledgers Road, was given the go-ahead as part of Slough's £1 billion town centre regeneration. Construction has already started on the scheme with three other residential developments going through planning. The scheme is being delivered by Slough Urban Renewal (formerly the Slough Regeneration Partnership), a joint venture between Slough Borough Council and MSIL. The local asset backed vehicle was established in 2013 for a period of 15 years and is contracted to deliver residential, leisure, education and commercial projects. Slough Urban Renewal will also be constructing new leisure facilities including a new community sports facility, swimming pool and leisure centre planned for later this year.

Lisa Scenna, managing director of Morgan Sindall Investments says: "Throughout 2015 MSIL has strived to create additional value for the Group through our existing frameworks and relationships. This is demonstrated through our success in HB Villages, reaching a further 14 developments in construction and our continued success in both the Bournemouth and Slough LABVs. We will continue this trend in 2016 as well as winning additional opportunities through the year."

Ends

Image: An artist's impression of Berry Court, a development of 113 high-quality apartments for the private rental market in Bournemouth town centre.

Notes to Editors:

Morgan Sindall Investments (MSIL)

Morgan Sindall Investments Limited (MSIL) provides project development and funding solutions through a one-stop service, allowing our private and public sector partners to implement sustainable change in order to improve long-term prospects and well-being of local communities. It is part of Morgan Sindall Group plc, a leading UK construction and regeneration group with revenue of over £2 billion and which operates through five divisions of construction and infrastructure, fit out, affordable housing, urban regeneration and investments.

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