

A nighttime photograph of a skyscraper under construction. The building features a curved glass facade at the base, which is illuminated from within. Above the glass section, the building's structure is exposed, showing a grid of steel beams and concrete slabs. A tall construction crane is positioned next to the building, its arm extending upwards. The sky is dark, and the city lights in the background create a vibrant backdrop.

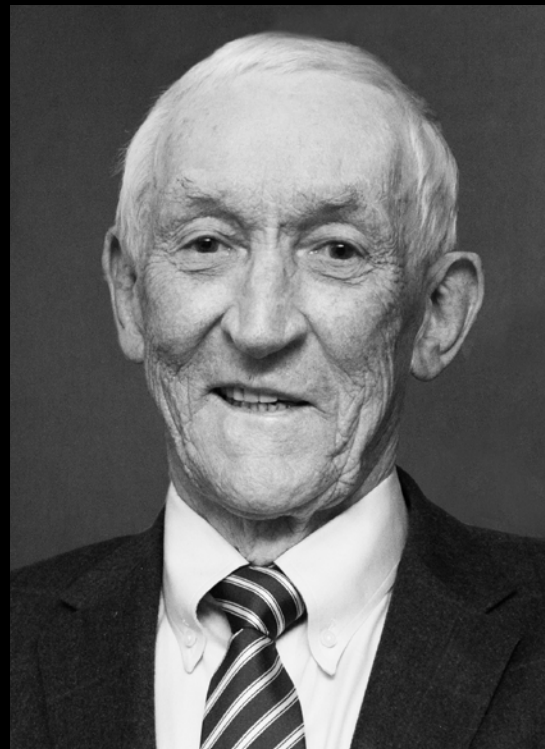
2019

 **mace**

ANNUAL REPORT

INSPIRING OUR
SPIRIT OF
ADVENTURE

A TRUE LEGEND OF THE INDUSTRY



In July 2019, Ian Wylie, Mace's Deputy Chairman and one of the company's founders, sadly passed away. Ian was an instrumental figure in the success of Mace and the last of the five founding directors of the business who still worked for the company.

Mace would not be the company it is today without Ian's leadership, support and commitment. He is greatly missed.

Ian was part of the team that founded Mace in 1990. They did so off the back of the successful delivery of the Broadgate estate, an iconic project that transformed the City of London, established a new standard for development in the UK and introduced the construction management model to the UK industry. Ian and his founding colleagues believed in the possibility to do things differently in UK construction and challenge convention. They wanted to change the industry and were dedicated to the pursuit of a better way, which remains Mace's mission to this day.

As Mace grew, Ian took a key role across a huge number of Mace's high-profile and iconic projects. He led early projects like the construction of the Gatwick South Domestic Terminal – setting new standards for the delivery of complex projects in operational aviation environments – and served as project director for Merrill Lynch's European HQ building on King Edward's Street in the City of London.

In 2001 Ian took a non-executive role and stepped back from the day-to-day running of Mace, but that didn't change the commitment and energy he poured into helping the company become a global success story. Part of that effort included taking responsibility for a huge portion of Mace's overseas growth in the 2000's. This included key roles on the construction of the Marina Bay Sands Hotel in Singapore and the Venetian Cotai in Macau – at the time one of the largest buildings in the world. He was key in building Mace's reputation as a global project manager that could be trusted with the delivery of some of the most challenging programmes and projects.

Over the last ten years Ian took a role of strategic counsel for Mace's leadership team, providing invaluable mentorship and strategic advice to Stephen Pycroft, Chairman, Mark Reynolds, Group Chief Executive and other senior figures from across the company; as well as offering vital advice and guidance on a host of our more complex and challenging projects across the globe.

His humility, integrity and ability to connect with everyone who met him will never be forgotten at Mace. He was an inspiration to everyone who knew him – his wisdom, experience and ability to motivate everyone was something to behold.



“IAN WAS THE REASON I JOINED MACE AND WAS MY BOSS AT THE BEGINNING OF MY CAREER. OVER THE YEARS HE WAS AN INCREDIBLY IMPORTANT MENTOR FOR ME AND MANY OF THE GROUP BOARD AND A GREAT FRIEND. HE MADE AN IMPACT WHEREVER HE WENT AND I AM PROUD AND HONOURED TO HAVE WORKED WITH HIM. HE WAS A TRUE LEGEND OF THE INDUSTRY.”

Mark Reynolds
Group Chief Executive



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ONE.
**ABOUT
MACE**

A BETTER PERSPECTIVE

Mace is an international consultancy and construction company, founded on exceptional people, a commitment to service excellence and a deep-rooted entrepreneurial spirit.

As a responsible business, we strive to build more efficiently and more sustainably for communities across the globe.

SHAPING CITIES. BUILDING SUSTAINABLE COMMUNITIES.

We are living in a world that is developing fast. Property and infrastructure projects and programmes are becoming more complex. The drive for sustainable development is ever more pressing.

To create cities and communities that solve these challenges, we must look at solutions from all angles, innovating together to identify the best course of action.

Our people give us that perspective, with their experience, confidence, drive and commitment to always go the extra mile.

Together we strive to build more efficiently and more sustainably across the built environment and beyond – to create communities across the world that don't just function, but inspire.

OUR VISION IS TO BE THE INDUSTRY LEADER IN SHAPING CITIES AND BUILDING SUSTAINABLE COMMUNITIES.

OUR MISSION IS TO CONTINUOUSLY PURSUE A BETTER WAY.

OUR VALUES:



Safety first
going home safe and well



Create opportunity
for our people to excel



Client focus
deliver on our promise



Integrity
always do the right thing





**WE INNOVATE
AND CHALLENGE
CONVENTION.
WE ADVISE
AND HELP TO
TRANSFORM**

City of London
United Kingdom

ABOUT MACE

**WE DEVELOP
CONSULT
CONSTRUCT
AND OPERATE**

**TOGETHER OUR PEOPLE ARE
CONSTANTLY STRIVING TO
GO THAT EXTRA MILE AND
LEAVING A POSITIVE IMPACT
ON COMMUNITIES ACROSS
THE GLOBE.**

For 30 years our adventurous spirit has driven us to do things better and drive change through our industry.

Founded and built on exceptional people, delivering iconic projects and programmes across the globe – operating from five strategic hubs in Europe, Middle East and North Africa, the Americas, Sub Saharan Africa and Asia Pacific.

Our people constantly strive for better and always go that extra mile, inspiring each other and our clients to innovate. We are committed to being a responsible and inclusive business.

We employ an open and collaborative approach with our partners. This gives us a better perspective on how we can deliver cost-effective and beneficial outcomes for all stakeholders on every project, no matter how complex or challenging it is.

We strive to find better ways to deliver for our clients, communities and the construction industry. From designing faster to pioneering new technology and methods of constructing – we constantly challenge the status quo, and will always do so.

2019 AT A GLANCE

Total Group turnover	International turnover	Group pre-tax profit
£1.8bn	£524m	£25.3m

Develop Development is an integral part of the wider Mace business. Our skills range from investment and planning to development management, with an established pipeline across all real estate sectors.	Consult With a growing Mace presence that spans our five global hubs, we oversee work for world-leading organisations across the public and private sectors Our Consultancy business is responsible for some of the largest infrastructure-led regeneration programmes – helping to shape cities around the world.
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Gross Development Value under management	Consultancy turnover
£2.1bn	£314m
2019 £2.1bn	2019 £314m
2018 £2.0bn	2018 £274m
2017 £1.8bn	2017 £267m

Development headcount	Consultancy headcount
17 Direct employee headcount: 16	2,803 Direct employee headcount: 2,542
2019 17	2019 2,803
2018 18	2018 2,679
2017 18	2017 2,511

All 2018 revenue numbers are according to restated 2018 Mace Finance Limited accounts. For further details please see page 32.

Total Group headcount	Accident frequency rate (AFR)	Value to society
6,125 Direct employee headcount: 5,416	0.07	£522m

Construct From contracting to construction management and everything in between, our Construction business has given rise to some of our most recognised and celebrated projects.	Operate Operate offers a complete facilities management service for companies anywhere in the world. We support clients to build new premises, optimise their existing properties or handle everyday maintenance and services.
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Construction turnover	Operate turnover (does not include costs recharged to clients)
£1.4bn	£72m
2019 £1.4bn	2019 £72m
2018 £2.0bn	2018 £66m
2017 £1.6bn	2017 £55m

Construction headcount	Operate headcount
1,861 Direct employee headcount: 1,538	1,038 Direct employee headcount: 995
2019 1,861	2019 1,038
2018 2,121	2018 1,140
2017 1,842	2017 982

This year Mace Group is publishing the consolidated accounts of Mace Finance Limited, the ultimate parent entity. In prior years, the Group published the consolidated accounts of Mace Limited, a wholly owned subsidiary of Mace Finance Limited. We have and will continue to produce consolidated accounts at Mace Limited, and these accounts will also be available on our website. Further details are available on page 82.

OUR SECTORS
AND SERVICES

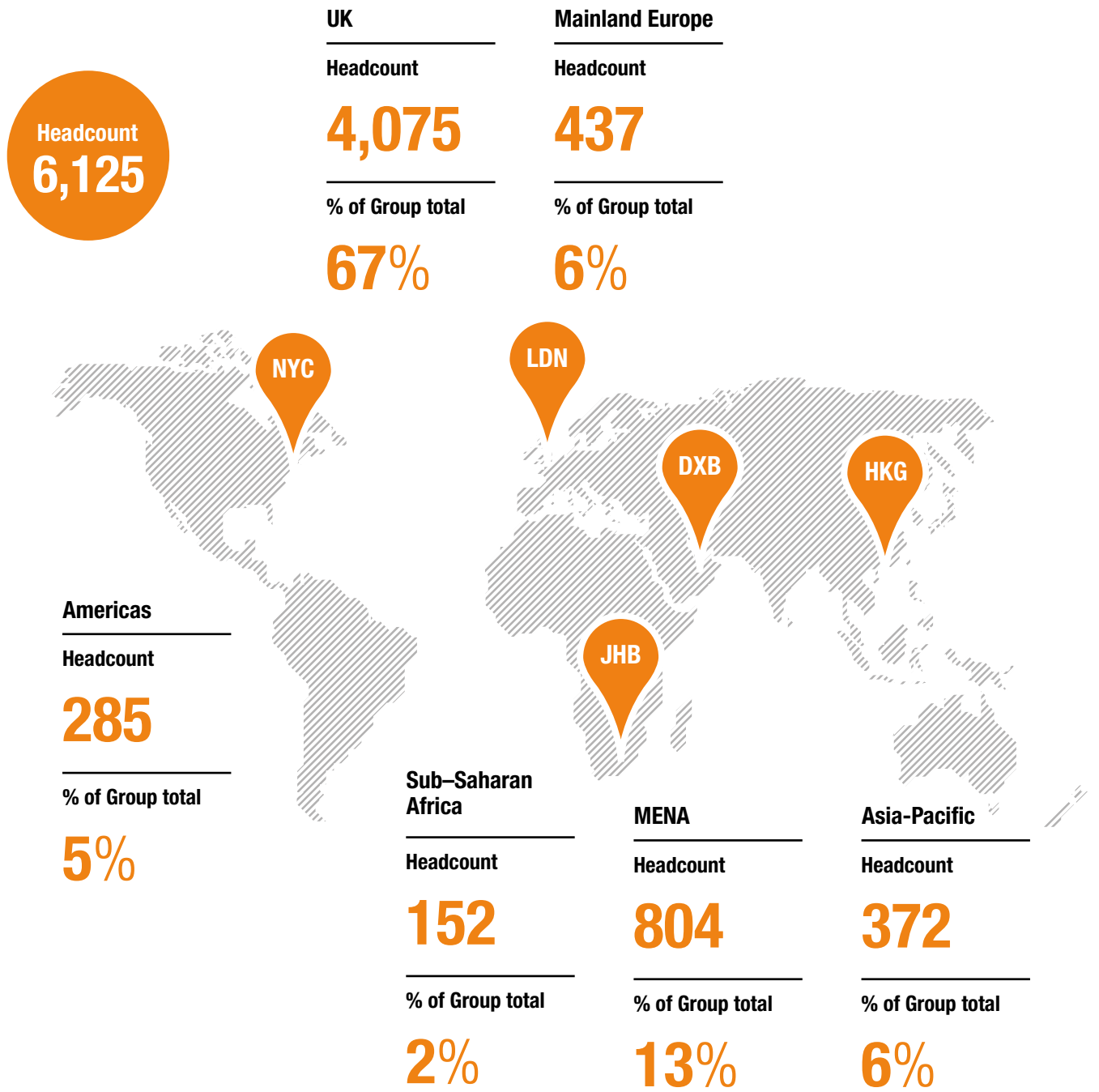
SERVICES

Develop	Consult	Construct	Operate
<div></div>	<div></div>	<div></div>	<div></div>
Development	Project & programme management	Contracting	Facilities management consultancy
Development management	Cost consultancy	Construction management	Helpdesk services
	Advisory services	Fit out	Managed services
	Strategic advisory services Architecture, engineering and design services Building surveying BIM	Specialist services	
		Logistics MEP Secure works Façades	

SECTORS

Arts and culture	Nuclear, energy and utilities	Industrial, technology and biopharm	Regeneration
Commercial	Health and education	Industrial and manufacturing Technology Research and biopharmaceuticals	Transport
Corporate real estate Mixed-use development Offices Retail	Health and social care Education		Highways Aviation Rail Ports
Defence and security	Hotels and residential	Leisure and sport	
	Hotels Residential and student accommodation	Public buildings and estates	

OUR INTERNATIONAL
PRESENCE



Headcount includes consultants and temporary employees.
Direct employee headcount: 5,416

OUR BUSINESS MODEL

OUR ENGINES FOR GROWTH

DEVELOP

With over £2.1bn of assets under our management, our Development business uses our development management capability to invest in schemes and provide expertise and services to our clients.

We have an established pipeline of student and residential units consisting of private for sale, private rented sector and social housing, as well as mixed-use schemes that include hotel, retail, leisure and commercial office space.

CONSULT

Our Consultancy business continues to create modern smart cities for current and future generations by securing major infrastructure projects and programmes, framework agreements with global corporate real estate clients and a growing investment in our international business.

We also deliver global programme, project, project management office (PMO) and cost management services for a wide range of sectors such as healthcare facilities and hospitals, schools, energy and transport infrastructure, mixed-use developments and corporate real estate.

CONSTRUCT

Our Construction business has an industry-leading reputation for delivering complex projects, something we maintain by developing long-term relationships that recognise the value we create.

In the past five years we have become a top ten UK contractor, built and fitted out commercial offices, new homes, stadia and cloud data centres, supported the expansion of all the UK's major airports, and delivered multiple schools and higher education facilities for the UK Government and many of the leading UK universities.

OPERATE

Our Operate business continues to secure long-term facilities management contracts with global clients, deliver workplace innovation and maximise real estate utilisation. Operate has secured several long-term contracts with leading financial, commercial, industrial and pharmaceutical clients across the world.

OUR PRIORITIES

ENGAGE, DEVELOP AND INSPIRE OUR PEOPLE

Our people are at the heart of our business and are critical to the success of achieving our strategy over the next five years. We have worked to provide opportunities for our people to develop in an inclusive and diverse environment, and continue to improve our approach to flexible and agile working and career development.

ACHIEVE STABLE AND SUSTAINABLE GROWTH

This means focusing on the right opportunities and clients. We not only want to improve our margins in our mature markets, but also have selective growth in new sectors and geographies, using our unique capabilities to achieve controlled revenue growth over the next few years.

DRIVING INNOVATION TO IMPROVE SERVICE EXCELLENCE

Our mission has always been to find a better way to deliver for our clients, and as a result we have found even more innovative ways to make their aspirations a reality. We want to drive innovation to improve service excellence by investing in innovation to create new and more efficient methods of delivery that benefit our clients.

BE A RESPONSIBLE BUSINESS

In 2017 we launched our responsible business strategy, enabling us to take an active role to influence and improve our industry.

Our strategy specifically looks at the areas of wellbeing and opportunity, quality of environment, resource efficiency and delivering shared value, and is aligned with environment, social and governance (ESG) principles and United Nations Sustainable Development Goals where we were able to influence and create outcomes.

Over the past year our goals to 2022 have been to achieve a Accident Frequency Rate of no more than 0.05, a Lost Time Injury rate of 0.21 per hundred thousand hours worked and to grow our total contribution to society to at least £500m per annum.



Brandon, East Village N06
London

TWO.

**STRATEGIC
REPORTS AND
CORPORATE
GOVERNANCE**

CHAIRMAN'S FOREWORD

STEPHEN PYCROFT



I am pleased to report a solid financial performance for Mace in 2019. Despite a challenging economic environment, we continued to focus on achieving against our 2022 Business Strategy – finding better ways to deliver for our clients, providing opportunities for our people and bringing vital infrastructure and benefits to communities across the globe. Over the last ten months, the world has changed at a faster pace than ever before and so it has never been more important for businesses such as ours to demonstrate their resilience, flexibility and ability to effectively manage risk.

In 2019 we maintained a strong focus on winning key projects, managing risk, expanding our global footprint and strengthening our service offer to clients. This strategy has seen profit before tax rise significantly to £25.3m and cash balances standing at £170m. Due to a number of major projects completing in 2018, our turnover in 2019 was down to £1.8bn, a reduction of 23% on 2018's figures.

I AM PARTICULARLY PROUD THAT THESE RESULTS REFLECT THAT MACE BEGAN 2020 IN A STRONG AND RESILIENT FINANCIAL POSITION

globally, whilst providing our people with an extensive range of exciting and challenging opportunities.

Our role as the consultant of choice both at home and internationally was made apparent through our appointment earlier in the year to deliver HS2 Euston, the landmark terminus for the UK's new high-speed

rail line at London Euston. In the City of London, we completed Nuveen's 90m tall 70 St Mary Axe. Additionally, the company – together with the UK's Department of International Trade – delivered the landmark venues for the Lima 2019 Pan American and Parapan Games, as a truly integrated delivery partner.

INNOVATION

In my statement last year, I wrote that being an industry leader and innovator is something that has always been important to Mace and has been part of our DNA since the company's inception. We believed, and continue to do so, that things could be done differently, to challenge convention and I recognise now, more than ever, that our founding beliefs give people at Mace the inspiration and platform to create and innovate.

THE LAST 12 MONTHS HAS ALSO SEEN THE COMPANY CONTINUE TO ADVANCE THE INDUSTRY

digital and data is key and will allow us to look at new ways to bring radical change to our industry.

LEADERSHIP OF THE GROUP

Last year I wrote that the Group would be reviewing the company structure and corporate governance to ensure we keep our standards high and continue to deliver against our 2022 strategic objectives. Our future relies on us driving strong and sustainable growth across the Group and our four Engines: Develop, Consult, Construct and Operate. We have empowered our leadership teams to respond quickly to the needs of our clients and colleagues.

The last 12 months has seen the company continue to advance the industry through the launch of Mace Tech, our innovative approach to offsite construction, which is set to transform how we assemble and construct buildings now and into the future. Improving productivity and harnessing



East Village N06
London

OUR FUTURE RELIES ON US DRIVING STRONG AND SUSTAINABLE GROWTH ACROSS THE GROUP AND OUR FOUR ENGINES

In January 2020, the company announced the creation of four new divisional Chief Executive roles across the four engines. I am delighted that Jason Millett and Gareth Lewis were appointed as CEOs of our Consultancy and Construction businesses respectively and Ross Abbate took on the role as CEO of Operate. Richard Bienfait, previously announced as Mace's new Chief Financial Officer, also took on the role of CEO for Develop. Mark Holmes moved to the role of Deputy Chairman of the Group.

GLOBAL MARKET CONTEXT

In 2019 we continued to see market volatility and unpredictability. In the UK, the construction industry contracted in the face of market uncertainty driven

These measures are intended to ensure Mace is a more resilient and agile business – a series of decisions that have proven to be prudent, providing us with a robust and stable foundation despite the unprecedented events that have unfolded in 2020.

by political change, including Brexit and the late December election. The wider national picture was also not a positive one, with uncertainty dragging on economic growth across most sectors. It is clear that the groundwork set by our 2022 Business Strategy has made Mace a more resilient and effective business that has delivered sustained margin growth in the face of mounting economic uncertainty.

Our achievements during 2019 would not have been possible without the hard work that has been carried out by all our people. We have made significant progress against the targets and goals we set and this strategy has been key in guiding our decision-making to ensure we remain a strong global leader in the industry and the delivery partner of choice.

First and foremost, we continued our strong focus on the health, safety and wellbeing of our people. We further enhanced our focus on mental and physical wellbeing through events such as the annual wellbeing week and further established employee wellbeing plans, activities and campaigns. I am pleased to report that in 2019 we continued to increase the value we create to society by £31m to £522m. We made positive strides on our ambitious environmental and sustainability goals, laying the

groundwork for our landmark announcement in January 2020 that we would be Net Zero Carbon by the end of the year. Mace employees together also donated £514,000 to many charitable causes over 2019, helping those less fortunate throughout the year.

**WE ARE PLAYING
OUR PART IN
IMPROVING
THE FUTURE OF
THE INDUSTRY,
CREATING A
MORE INCLUSIVE
CULTURE**

to be a successful business unless we are able to draw on a diverse range of ideas and expertise which is why it is so important that we continue to make progress on the diversity and inclusion agenda.

Our various training and development programmes and initiatives for our graduates and apprentices, our behavioural framework, Behaviours for Success, and our employee network groups, from our Ethnic Diversity Inclusion Network to Women at Mace and Pride at Mace, have all formed a key part of our plans for Mace to become a place where people can thrive and meet their full potential.

Mace has continued to take an active role in driving forward our industry both in the UK and across the globe. We proactively promote the critical role our sector plays in shaping cities and the contribution we make to global growth. Mace's Group Board has led the way to support a number of industry initiatives, including working with the Construction Leadership Council and Build UK to ensure that the industry is as prepared as possible for the UK's exit from the European Union at the beginning of 2020 and the final end of the transition period.

As Chairman of this company, I feel proud of the drive, enthusiasm and tenacity of our people and I would like to thank my fellow Group Board Directors for driving our company forward and all our Mace colleagues for their hard work and dedication delivering another successful year for Mace.

I would also like to recognise the support and trust shown by our clients who continue to provide us with fantastic opportunities to challenge convention and our supply chain partners who continue to support us and have allowed us to become the company we are today.

Last, but certainly no means least, I would like to make a personal tribute to Ian Wylie, one of the company's founding fathers following his death on 4 July 2019. There is no doubt that Ian was a leading light and an instrumental and influential figure in the success of Mace over the last 30 years. In the last ten years he took on the role of strategic counsel for Mace's leadership team, providing invaluable mentorship and strategic advice to a number of the board alongside many others across the sector.

Ian truly believed in our ability to change the industry and was fully dedicated to the pursuit of a better way, something which still resonates to this day. He was my friend and my mentor, providing invaluable guidance with clarity, insight and with generosity of spirit.

145 City Road
London



GROUP CHIEF EXECUTIVE'S STATEMENT

MARK REYNOLDS



Although this report is our 2019 Annual Report, our business – like many others has encountered unprecedented and significant change this year. Nearly every national economy in the world has seen a significant impact from the coronavirus, and the UK construction sector in particular has seen huge change over the last seven months.

It would be remiss of us not to reference this challenging context and to reflect on how the decisions we made in 2019 have shaped and will continue to shape our performance in the 'new world' we now face.

OVERALL, 2019 WAS A STRONG AND PROFITABLE YEAR FOR MACE

exceptional results for our clients, progress our four priorities outlined in our 2022 Business Strategy and take a leadership position to help transform the industries we work in across the globe.

At the time of publishing our report, we have seen a significant impact of Covid-19 on the international economy and the construction sector. Although this has clearly provided challenges for the business in 2020, we have been able to remain resilient in the face of those challenges chiefly due to our strong performance in 2019.

This performance saw our profit before tax rise significantly by 30% to £25.3m at Mace Finance Limited (£35.3m at Mace Limited, a 48% increase) and a gross profit margin increase from 6.3% to 9.1%. As of December 2019 our cash balances stood at £170m. We continue to focus on margin growth rather than chasing turnover improvement.

In last year's annual report, we were clear that our significantly increased 2018 revenue was due to an exceptional demand for datacentre construction; and as expected our 2019 turnover has seen a reduction of 23% to £1.8bn (from £2.32bn). It was our 29th year of consecutively making a profit.

In 2019 we took significant steps to strengthen our corporate governance, accountability and efficiency across our business. These include a number of structural changes to the Group Board and wider leadership teams to promote strong and sustainable growth in line with the company's 2022 Business Strategy.

As part of this process, we have introduced new reporting requirements for our 2019 Annual Report, including publishing results for both Mace Limited and Mace Finance Limited for the first time. For further detail regarding the two sets of accounts, please see the note on page 82.

MARKET CHALLENGES

We signed our accounts in November 2020, during a period of unparalleled economic uncertainty and risk around the globe.

Many of the challenges that have been bought forward by the coronavirus pandemic in 2020, however, are not new. During 2019, our business performed admirably despite growing global barriers to free trade, including mounting tensions between the United States and China, pressure on fragile supply chains and the impact of potential disruption to the free movement of goods and labour caused by the United Kingdom's planned exit from the European Union.

The measures we took to ensure we could remain resilient in the face of those challenges served us well as the impacts of the coronavirus pandemic hit in 2020. These include spreading our risk across a diverse portfolio of sectors, geographies and the whole project life cycle, as well as working closely

with our strategic supply chain partners to ensure that project and programme delivery is minimally impacted by disruption to global trade.

WE ALSO MAINTAINED OUR COMMITMENT TO BEING A RESPONSIBLE PARTNER AND WORKING ACROSS THE SECTOR TO IMPROVE THE CONSTRUCTION INDUSTRY AS A WHOLE

the impact of our focus on client relationships and satisfaction levels.

We also maintained our commitment to being a responsible partner and working across the sector to improve the construction industry as a whole. Part of this is a continued focus on payment terms. During 2019 our average time to pay invoices went down from 34 days to 26 days, demonstrating our commitment to improving payment practices across the sector. We are particularly proud of our payment record and we have continued to be one of the best payers in our sector during the coronavirus pandemic.

OUR ENGINES FOR GROWTH

The business has continued to focus on achieving sustainable margins through its four engines; Develop, Consult, Construct and Operate.

The Group performed well in terms of winning work and growing its future workload. At the end of 2019, the Group had a strong forward order book, and as at the signing date, has 98% of our forecasted 2020 turnover secured, and 73% of our forecasted 2021 turnover secured. A large proportion of this work was a result of repeat order work which demonstrates the high quality of our work and

We continued to see a significant increase in the amount of international work we do rising to £524m; reflecting our strong overseas presence and that we are firmly established as one of the globe's leading consultancy, construction and operations businesses.

DEVELOP

Our Development business continues to play a key role shaping communities across the UK through the management and delivery of regeneration and development projects with a focus on creating social value. From mixed-use schemes to town centre regeneration, we have successfully progressed our existing projects and increased the value of our assets under management. Over the year, our development assets under management grew to £2.1bn.



In Stevenage, we are working with Stevenage Borough Council on their ambitious £350m GDV programme to transform and regeneration the town centre. In 2019, we signed the Development Agreement to become the Council's development partner, began the first works on site in the town, developed our masterplan proposals through an

GROUP CHIEF EXECUTIVE'S STATEMENT CONTD.

extensive engagement process with local businesses, stakeholders and the community, and in December we submitted our planning application for the whole development.

In London, we continue to play a key role in the delivery of mixed-use schemes and much-needed housing in the city. In Greenwich, Mace's own Greenwich Square project – funded by Mace, delivered on brownfield land and consisting of nearly 50% affordable housing – approached completion and we began to market and sell our first properties directly to prospective residents. As a development manager, we continued to progress plans for the transformative Westferry Printworks scheme on the Isle of Dogs.

We also made significant progress on both of our student housing schemes in Exeter and Cardiff, achieving practical completion in Cardiff, with residents arriving to live in the accommodation from September 2019. Construction is also well underway at West Way Square, our mixed-use scheme in Botley, Oxford. As part of delivering the first phase, our team has now let part of the space for a fantastic new library and a community centre for local residents.

CONSULT

Our Consultancy business continues to grow from strength to strength, securing work on transformative global programmes and delivering projects across the world on behalf of some of the world's leading blue-chip clients. Our consultancy revenue grew from £274m to £314m (15%), with more than £147m of that delivered outside of the UK.

OUR CONSULTANCY BUSINESS CONTINUES TO GROW FROM STRENGTH TO STRENGTH

With the appointment of a single Chief Executive Officer for the business, Jason Millett, the business continued to secure its position as one of the leading global consultancies for the delivery of complex and challenging projects across the world.



2019 Pan-American Games and Parapan Games
Lima, Peru

I was particularly proud of the role we played in the delivery of the Lima 2019 Pan-American Games and Parapan Games, with Mace colleagues working alongside a team from the UK's Department for International Trade to take a key role in the delivery of the venues for one of the continent's largest celebrations of sporting excellence.



One Za'abeel
Dubai

It is our excellent delivery and relationship building that allows us to expand into new markets successfully and create strategic client partnerships that help to shape our business in the long-term. An excellent example is our defence sector work in the UK. In 2019 – following numerous smaller appointments across the defence sector – Mace was appointed 'Client Side Partner' for the Defence Infrastructure Organisation's DEO programme, supporting the delivery of over 100 military construction projects across the UK.



Al Wasl, Expo 2020
Dubai

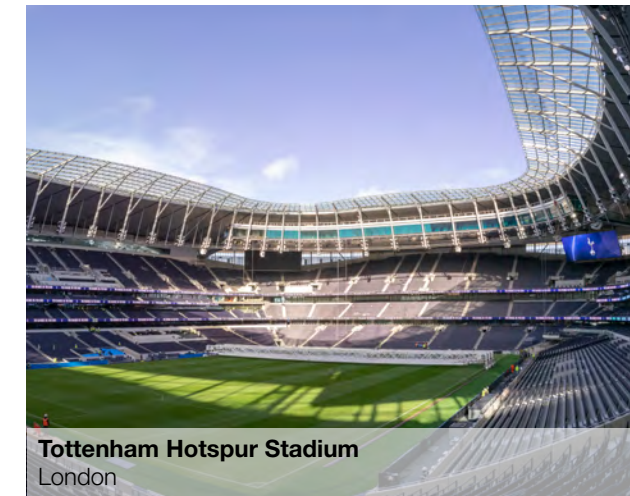
Our infrastructure delivery business continued to grow, securing roles on two of the world's most complex and challenging programmes – the delivery of a new station for the UK's new Highspeed 2 rail line at London's Euston; and the expansion of Iceland's Keflavik International Airport. Both appointments will provide huge opportunities for Mace to support our clients and create a sustainable revenue and contribution over the next five to ten years.

Across the rest of the globe, our consultancy business has continued to win and deliver exceptional work on behalf of global clients in both the public and private sector through 2019. In the Middle East, our team working on the delivery of Dubai Expo 2020 – one of the largest and more complex delivery programmes in the world – marked some hugely significant construction milestones, including the completion of the final section of the iconic Al Wasl dome.

CONSTRUCT

The construction sector performed well in 2019, despite continued uncertainty around Brexit in the UK and Europe; and fewer high-profile projects coming to the market. Overall the revenue of our construction business dropped from our 2018 peak of £2bn to £1.4bn, while the gross margin we secured on our construction work grew from 3% to 6%.

Our strategy in construction during the year continued to focus on securing the right work with the right clients, ensuring that we effectively manage delivery risk and work with the most capable and effective subcontractors to deliver the best outcomes for our clients.



Tottenham Hotspur Stadium
London

We continued to work on the delivery of some of the world's most iconic construction projects. We achieved completion of the world's most high-profile new stadium development, Tottenham Hotspur's new 62,000 seat venue in London, which features a retractable pitch and will host some of the globe's best football and a huge range of entertainment events.



18 Hanover Square
London

In the City of London, we completed Nuveen's 90m tall 70 St Mary Axe, offering over 300,000 square feet of premium office space set over 21 floors. We also celebrated the topping out of 18 Hanover Square, a 1.3 acre mixed-use development for Great Portland Estates, that will host the new eastern entrance to the Elizabeth line's Bond Street station.

GROUP CHIEF EXECUTIVE'S STATEMENT CONTD.

Our work in the higher education sector went from strength to strength with the successful launch of the new LSE Centre Building, a world class learning facility delivered to the highest sustainable standards. Following that success, we have now been directly appointed by LSE to deliver our second project, the Marshall Institute, which will house The Marshall Institute for Philanthropy and Social Entrepreneurship.



LSE Centre building
London

**WORKING
ALONGSIDE OUR
CLIENTS, WE
CONTINUE TO
DRIVE FORWARD
IN OUR EFFORTS
TO MAKE
CONSTRUCTION
MORE
SUSTAINABLE,
MORE PRODUCTIVE
AND SAFER**

In the international datacentre market – a key focus for Mace over the last five years and a significant source of growth for the construction business – we continue to build on our position as a leading European contractor, working with some of the world's most recognisable technology brands to deliver hyperscale datacentres in new and innovative ways.

We also expanded our presence in the science sector, breaking ground on a government funded pioneering new research institute at Harwell Campus, one of the UK's leading Science and Innovation hubs. The new Rosalind Franklin institute will bring together scientists from across the UK to develop new, disruptive technologies and accelerate the discovery of new treatments.

Working alongside our clients, we continue to drive forward in our efforts to make construction more sustainable, more productive and safer; working hard to adopt innovative approaches that enable us to build faster, more safely and with less impact on the environment.

OPERATE

Mace's operate business – formally Mace Macro – had a brand refresh in 2019. It was another year of global growth for the division, increasing turnover to £72m (2018: £66m). The facilities management industry continues to expand and develop, and as the industry globally continues to recognise the importance of workplace and workplace experience, we have been able to increase our services to help clients create workspaces that support their company culture and objectives

In 2019, we began providing services within the retail sector, working with two clients across locations in the UK and Europe, as well as within North America. These appointments have opened a new sector for the business, allowing us to increase our geographical footprint as well as bolstering our capability and expertise. We have also expanded our long-standing relationship with Standard Chartered Bank to their operations in Poland and began to work with ExxonMobil in Qatar.

Throughout the year, we refreshed our business model and service offering, building a centre of excellence with a focus on creating agile workplace experiences for our clients. This work has demonstrated its value, leaving us well positioned as the challenges of 2020 have led to clients radically reassessing their workplace needs.

OUR 2022 BUSINESS STRATEGY

Launched in 2018, our 2022 Business Strategy lay out a clear path for the continued success of Mace across all the sectors and geographies we work in. It set out four clear priorities that would guide our decision making, and a number of objectives and measurements that we would use to judge our success.

2019 was the second year of delivery for the strategy, and I am pleased to report that the strategy has been hugely helpful in helping to shape the business over the year. By following the path it laid out we have

improved our governance, become more innovative, continued to grow our margins and become a more responsible business that delivers clear value to our clients and provides a place for our colleagues to become inspired and develop their careers.

Now in November 2020, we are in the process of taking a detailed review of how the strategy helped to shape our progress, and we are working to develop a new 2026 Business Strategy that builds on that success and reflects the significant changes we have seen to the global economy and the sectors we work in over the last six months.

ENGAGE, DEVELOP AND INSPIRE

When I speak to our clients and other people across the industry, they consistently tell me that it is Mace's people who inspire them to trust our business with their projects and programmes time and again – they are the most valuable resource we have. We continue to work tirelessly to ensure that we can attract, retain and develop the best people in our sector wherever we operate across the globe.

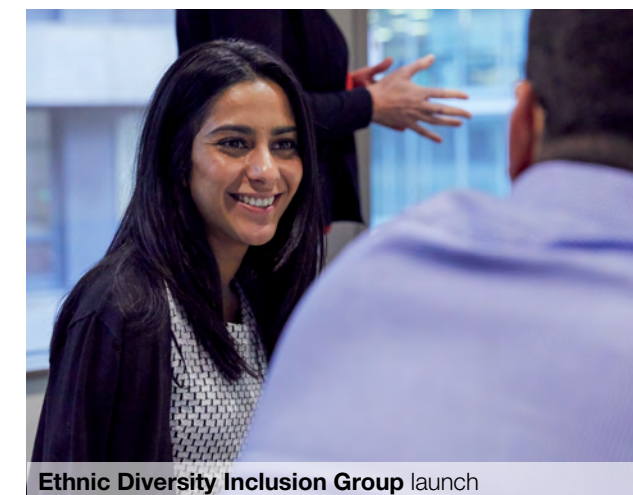


Leading for Success 2019

During the year, our headcount remained stable with a total workforce of over 6,000 people employed across the globe. We continue to invest in our talent pipeline, offering 94 positions to new graduates and apprentices, of which 34 were female. We are proud that those programmes are some of the most recognised and diverse in our industry. We proactively invest in the training and development of our people, with cohorts from both of our long-running Imperial College programmes Developing Success and Developing our Future completing their programmes in 2019.

We continued to embed Behaviours for Success, our behaviours framework that clearly sets out the behaviours we expect to see from all of colleagues. The framework now plays a key role in the appraisal of every member of staff, and for our leadership we ran our second annual 'Leading for Success' conference to help to further embed those behaviours.

It is clear that the diversity and inclusion agenda is one of the most important things that we can push to address as a business – both because it is the right thing to do, but also to ensure that we have access to a diverse range of expertise and experience that will allow us to continue to be a disruptive industry-leader.



Ethnic Diversity Inclusion Group launch

We continued to move forward on these issues, with 2019 seeing Mace publish its second gender pay gap report, which included data on our ethnicity pay gap for the first time. Although there is clearly significant progress to be made across the whole of Mace, the Group Board and I are working hard to embed the right behaviours and we hope to see more radical changes in the right direction in the future.

Our independent diversity and inclusion groups continued to go from strength to strength, with the launch of the Ethnic Diversity Inclusion Group (EDIN) and successful campaigns by Pride at Mace that led to us being placed in the Top 150 of Stonewall's UK Workplace Equality Index for the first time. Alongside this, more than 85% of our colleagues completed their unconscious bias training.

GROUP CHIEF EXECUTIVE'S STATEMENT CONTD.

ACHIEVE STABLE AND SUSTAINABLE GROWTH

As one of the UK's fastest growing privately-owned companies, it is has always been critical to Mace that we carefully secure the right work with the right clients. Unchecked pursuit of revenue at the expense of quality and margin has never been a formula for success – and that is particularly true in the construction industry.

In our original plan in the 2022 Business Strategy, we clearly laid out an approach for our revenue growth that we believed was the right choice for the business – a slow increase in revenue with a focus on margin improvement.

2018 saw Mace significantly expand our international datacentres business to respond to an increase in demand from our clients; and that resulted in a temporary revenue boost. Our £1.8bn reported revenue for 2019 – a reduction of 23% – is in line with our original plans and it was always our intention as a Group Board that the business would grow sustainably.

The mark of our success is our significantly improved margin and contribution; which demonstrates that our focus on securing a diverse range of work with some of the world's leading client organisations has led to a more successful and resilient business.

DRIVE INNOVATION TO IMPROVE SERVICE EXCELLENCE

Innovation and service excellence has always been a vital part of our DNA as a business – over the last 29 years we have consistently strived to find a better way to deliver some of the most complex engineering and construction challenges in the world.

INNOVATION AND SERVICE EXCELLENCE HAS ALWAYS BEEN A VITAL PART OF OUR DNA AS A BUSINESS

Even before the coronavirus pandemic took hold in 2020, our sector was at a critical crux point as digital technology and modern methods of construction finally began to deliver the transformational benefits that we have been promised for decades.

As one of the world's leading innovative construction and infrastructure delivery organisations, Mace is at the heart of this transformation. Over the year we invested more than £51m in research and development. We also launched Mace Tech, our new construction delivery unit that has built on the success of our iconic 'Jump Factory' and is now delivering a new platform and assembly construction approach that is enabling radical productivity improvements on behalf of our clients.

THAT NEW APPROACH IS A REFLECTION OF OUR CONSTANT DRIVE FOR BETTER AND MORE EFFECTIVE DELIVERY ACROSS THE ENTIRETY OF OUR ORGANISATION

business, with a 20% reduction in snags over the year – in turn saving Mace and our clients millions of pounds and months of delays.

From innovative machine-learning driven design processes on behalf of Government clients, the implementation of 'smart buildings' on behalf of global financial clients by our Operate division, and the delivery of some of the complex structural engineering challenges in the world on the Ain-Dubai project in Dubai, our people are responsible for some of the most innovative approaches to delivery in our sector anywhere in the world.

BE A RESPONSIBLE BUSINESS

At Mace we take our role in global society very seriously. I firmly believe that it is a shared responsibility across our whole business to ensure that we are delivering benefits to the communities we work in and reducing our impact on the environment as much as we can.

In 2019, I am proud to report that the value that we contributed to society – an independently audited metric – rose from £491m to £522m. This is an outstanding result that could only have been delivered

That new approach is a reflection of our constant drive for better and more effective delivery across the entirety of our organisation, embedding the construction to production approach and a 'learning organisation' mentality in every project we deliver. Service excellence has been embedded as a priority across our construction

by the consistent commitment shown by everyone across Mace throughout the year. In the latter half of the year, we worked to develop our strategy to achieve Net Carbon Zero in 2020, which was launched in January. As we take this strategy forward this year, we are working with clients to find solutions to address their emissions and embodied carbon to improve the industry for the benefit of everyone.

WE ARE WORKING WITH CLIENTS TO FIND SOLUTIONS TO ADDRESS THEIR EMISSIONS AND EMBODIED CARBON TO IMPROVE THE INDUSTRY FOR THE BENEFIT OF EVERYONE

We continued our commitment to reducing our impact on the environment by leading the way in our sector, taking part in critical trials of sustainable construction equipment and low carbon alternative materials, and we continued to work with our clients to promote sustainable and responsible procurement.

The willingness of our people to happily give their time and money to good causes continues to inspire me; with people across Mace volunteering more than 26,000 hours over 12 months. Each year we see a huge range of volunteering activities taking place, and this year was no different – from the transformation of a charity's café and park space in central London to helping to provide thousands of Christmas presents for children in need during the festive period.

Nothing is more important to the Group Board and I than the health, safety and wellbeing of our colleagues, the people that work on our projects and the communities we work in. As a global consultancy and construction firm we have a key role to play in helping to shape best practise in all of the regions we work in across the globe.

I am very pleased that this year 89% of our construction projects had no reportable injuries, our lost time frequency rate dropped to a record 0.24 and our accident frequency rate reduced to 0.07.

Finally, I am proud to report that the Mace Foundation – our independent charity – was responsible for the donation of more charitable giving than ever before, with more than £514,000 donated to charities across the world through the Foundation and by Mace colleagues.

LOOKING AHEAD

As we sign these accounts in November 2020, the global economy and our sector stand in the middle of some of the most radical and fast-moving change that I have ever experienced in my career.

Although we face significant challenges, both in the medium and long term, I firmly believe that our business is perfectly positioned to take advantage of these changes and continue to grow and succeed despite wider uncertainty.

ONLY THOSE COMPANIES THAT CAN BE AGILE AND RESPOND QUICKLY TO CHANGE WILL BE SUCCESSFUL – AND I AM CONFIDENT THAT MACE WILL DO SO

innovation and working to ensure that our people feel inspired to develop their careers at Mace.

Across the globe, our relationships with the places we live, work and learn are changing quickly, and that will impact on our entire industry. Only those companies that can be agile and respond quickly to change will be successful – and I am confident that Mace will do so.

None of our progress to date and our successes would have been possible without the continued commitment of our clients, our incredible colleagues and our strategic supply chain partners. On behalf of the entire Group Board I would like to thank everyone for their ongoing support.

Our balance sheet remains in a strong position, and our margin growth over 2019 demonstrates that our business is resilient. In order to maintain that position, it is more important than ever that we focus on helping our clients achieve their goals and aspirations, carefully managing our risks, continuing to invest in

CHIEF FINANCIAL OFFICER'S STATEMENT

RICHARD BIENFAIT



2019 was a strong and profitable year for Mace; the company's 29th consecutive year of making a profit. Despite a challenging economic backdrop, the company has maintained its focus on delivering exceptional performance for our clients across the globe. We are publishing this report in the Q4 of 2020, during a period of unparalleled economic uncertainty and risk around the globe.

THE 2019 FINANCIAL YEAR WAS A STRONG AND PROFITABLE YEAR FOR MACE; BOTH IN TERMS OF FINANCIAL AND PROJECT DELIVERY PERFORMANCE. PROFITS BEFORE TAX ROSE FROM £19.5M IN 2018 TO £25.3M WITH OUR GROSS PROFIT MARGIN IMPROVING FROM 6.3% TO 9.1%

The 2019 financial year was a strong and profitable year for Mace; both in terms of financial and project delivery performance.

Following the introduction of IFRS 15 'Revenue from Contracts with Customers', the Group has reviewed the way it previously accounted for expected reimbursements resulting from certain third-party claims. Where previously these reimbursements were accounted for under IAS 11 Construction Contracts, the Group was able to recognise the net expense, often being the insurance excess

premiums, on the basis that insurance recoveries could be demonstrated as highly likely due to the presence of appropriate insurance policies and relevant notifications being made to insurers.

The reimbursements are now required to be accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, which requires recovery to be virtually certain before an asset can be recognised. Consequently, the cost and

subsequent revenue require grossing up on the balance sheet, as liabilities and assets respectively, and if the negotiations with third parties over certain downstream claims are insufficiently advanced, the asset must be derecognised leaving the grossed-up cost impacting profit.

This interpretation of the impacts of IFRS 15 and the withdrawal of IAS 11 has evolved since its introduction and such the impacts were not captured as part of the transition adjustments in the financial statements for the Group for the year ended 31 December 2018. We have therefore restated the results to take into account the adjustment, resulting in a reduction of profit before tax of £9.1m resulting from the recognition of cost provisions of £19.1m and virtually certain recoverable assets of £10.1m. The remainder of the recovery is disclosed as contingent assets as the Group have a high degree of confidence in the recovery of the amounts.

Profits before tax rose from £19.5m in 2018 to £25.3m with our margin improving from gross 6% to 9%. Group revenue reduced to £1.8bn (2018: £2.3bn), mainly as a result of high income from International data centre work in 2018. The Group's cash position at the end of December 2019 was £170m (2018: £203m). At December 2019 we had invested £237m (2018: £141m) in our developed assets. These assets are funded by our debt, our external debt was £307.3m at the end of December 2019 (2018: £202m), of which £147m (2018: £42m) is secured on development projects.

Cash inflows from Group operating activities, before changes in working capital were £48.7m in the year (2018: £34.2m). The group took on £106m of new borrowings in the year (2018: £40m) in order to fund the construction of development assets. Principally, these were at four sites: in Greenwich Square, London where we have developed 325 residential apartments, 239 of which are for private sale; in Cardiff and Exeter where we have developed purpose-built student accommodation with 1,245

bedrooms, and in Oxford where, as part of a joint venture, we are developing a mixed-use site with 261 student bedrooms and a hotel with 15 commercial retail units.

This year Mace Group is publishing the consolidated accounts of Mace Finance Limited, the ultimate parent entity. In prior years, the Group published the consolidated accounts of Mace Limited, a wholly owned subsidiary of Mace Finance Limited. We have and will continue to produce consolidated accounts at Mace Limited, and these accounts will also be available on our website.

2019 was the second year of Mace delivering against its 2022 Business Strategy. We have continued our focus on margin improvement through more selective and effective bidding, diversification of projects, seeking places on more consultancy frameworks, and working with major clients both within the UK and overseas. Our pipeline for 2020 was 72% secured by the end of 2019 (2018: 62%). We remain committed to delivering a diverse portfolio of projects as a natural hedge against economic and political changes.

During 2019 we have performed well despite wider economic uncertainty driven by the uncertain terms of a trade deal between the UK and the European Union at the end of December 2020, and the potential consequential impact on labour, construction activity and services within the UK economy.

In order to ensure we are resilient in the face of the potential outcomes of Brexit, Mace has continued to take proactive steps to ensure appropriate arrangements have been made throughout our supply chain to prepare for a number of potential risks. This means that – as far as possible – the provision of appropriate labour and material imports to meet obligations will continue when the transition period ends in December 2020.

The company operates across a number of market sectors in the UK and around the world and are

affected by national and international macro-economic conditions, trade conditions and political volatility as well as by the investment and spending cycles that exist in many industries. Our broad spread of activities across numerous market sectors and geographies, and a focus on development, construction, consultancy and facilities management opportunities that can offer longer-term income, helps us to remain resilient and mitigate our exposure to short and medium-term economic uncertainties.

CONCLUSION

The 2019 financial year was a strong and profitable year for Mace. In the current climate however, there is no room for complacency.

Overall, we anticipate the revenue of the group is likely to be lower by 20% than budget due to the Covid-19 lockdown measures taken by nations around the world to confine the spread of the disease. Covid-19 pandemic has affected our business, particularly the construction, development and facilities management divisions of our business. The consultancy division, although not immune to the effects of Covid-19, is on track for strong performance in terms of revenue and profitability for 2020.

We continue to remain confident around the company's resilience, its diversity and ability to navigate through these unprecedented times. Mace's ability to operate in all areas of the property cycle – together with our diverse UK and international activities – provides us with the opportunity to flex the business in accordance with a challenging and rapidly changing environment.

We remain focused on delivering a high quality of service to our clients and maintaining our strong approach to risk management, through selective bidding, effective risk management and the continued efforts and innovation of our people across the globe.

MACE EXECUTIVE BOARD OVERVIEW

Strong, transparent and accountable governance, together with effective risk management, safeguard the health of Mace. They provide a platform to enable the company to maintain its agility and enhance its entrepreneurial spirit.

The Group Board and Executive Board is collectively responsible for setting and delivering our strategy – using their broad and extensive experience to ensure that we remain at the forefront of our industry, and constantly pursue a better way of doing things for our clients.

The Board believes that good governance includes clarity of roles and responsibilities, strategic risk management, the utilisation of distinct skills and effective processes. The Board is focused on our long-term strategy, mitigation of principal business risks and how we can continue to meet our clients’ ambitions across our engines for growth.



STEPHEN PYCROFT
CHAIRMAN



MARK REYNOLDS
GROUP CHIEF EXECUTIVE



MARK HOLMES
DEPUTY CHAIRMAN



RICHARD BIENFAIT
GROUP FINANCIAL OFFICER



MANDY WILLIS
GROUP DIRECTOR FOR CORPORATE STRATEGY



FLORENCE HAYDEN
GROUP HR DIRECTOR

Following the introduction of The Companies (Miscellaneous Reporting) Regulations 2018, the Company has applied the Wates Corporate Governance Principles for Large Private Companies (the “Principles”) as an appropriate framework when making a disclosure about the Company’s corporate governance arrangements. During the past year the directors have sought to carry their duties as required under S172 of the Companies Act 2006 (the Act) as referred to in the full statutory accounts.

The Company is committed to ensuring high standards of corporate governance through the application of the Principles.



JASON MILLETT
CEO FOR CONSULTANCY



GARETH LEWIS
CEO FOR CONSTRUCTION



MARK CASTLE
COO FOR CONSTRUCTION



LEE PENLINGTON
GROUP COMMERCIAL DIRECTOR



MICHELLE BARKESS
CHIEF INFORMATION OFFICER



STEPHEN JEFFERY
CHIEF TECHNICAL OFFICER

THREE.

**OUR PEOPLE
& PROJECTS**

2019 HIGHLIGHTS
FROM OUR PEOPLE

UK &
EUROPE



PAUL MOHIT
CONSTRUCTION ASSOCIATE DIRECTOR

“In 2019 we achieved practical completion on Kaleidoscope (Farringdon East). From the offset everyone working on the project – including our supply chain partners – was 100% committed to achieving service excellence.”



CONOR STORKEY
SUSTAINABILITY ASSOCIATE DIRECTOR

“Supporting the delivery of one of the most sustainable construction projects in the UK made 2019 a stand out year. LSE Centre got the UK’s highest ever CCS score and won the BRE’s BREEAM award – it’s set a new benchmark.”



CHRIS BOND
FACILITIES MANAGEMENT ASSOCIATE DIRECTOR

“Transitioning from an FM consultancy role to an operational role, in my move from Dubai to London, has offered the opportunity to engage in a different market at a different stage in the asset life cycle.”



CHLOE DAVID-SHELDRIK
DEVELOPMENT MANAGER

“Having joined Mace in 2016, 2019 was the year I finally saw my first development project (The West Way) complete. From drawings to construction, to seeing the students moving in, I’m incredibly proud.”



NICOLA HAYES
CONSTRUCTION MANAGER

“2019 was a big year for my career. I was working with an amazing team on the iconic Battersea Power Station, before taking an opportunity to move to Paris to work with our private sector team on a bespoke project with a retailer.”



ALFIE HEYLAND
CONSULTANCY OPERATIONS DIRECTOR

“In 2019 we broke ground on the first of six new prison construction projects which collectively form part of a major programme in modern and efficient prisons that are pushing the boundaries in offsite manufacturing and sustainability.”



MICHAEL JONES
RAIL ASSOCIATE DIRECTOR

“Continuing to grow our rail team and our service offering in the transportation sector has been a highlight as well as, importantly, achieving an accident and injury-free year on all live projects.”

2019 HIGHLIGHTS
FROM OUR PEOPLE

AMERICAS



OLI CONDE
REGIONAL MANAGER – LATAM AND DEPUTY
DELIVERY LEAD, LIMA 2019

“Watching the opening ceremony with our Peruvian colleagues, having played a key part in delivering the best Pan American Games ever was a special moment for the whole team.”

ERIN MCKENZIE
SENIOR FACILITIES MANAGER

“2019 opened a number of doors – allowing me to expand my network and participate in educational development through Imperial College. I’m looking forward to the new opportunities waiting for me in 2020.”



DIANA WILCZYNSKI
PROJECT MANAGER

“To help build the Walgreens Welcome Center was a great opportunity to interact with different teams within the company and achieve the client’s vision of a collaborative space full of history.”



SUB-SAHARAN
AFRICA

PETRONILA OSODO
SENIOR PROJECT MANAGER

“Coca-Cola CEWA LTDs fit out set new market standards on efficient design, acoustics and health and safety, delivering a space in line with Coca Cola’s presence in the Central, East & West African region.”



SEKOU DORE
SENIOR COST CONSULTANT

“It’s been fantastic to be involved in a project that will set a new standard for diplomatic level residential development in Nairobi and the greater East Africa region.”

NATHALIE KATUMBA
COST CONSULTANCY ASSOCIATE DIRECTOR

“ACSA Western Precinct Offices was an amazing project – thanks to excellent teamwork we made sure that value engineering and innovation were at the top of the agenda.”



2019 HIGHLIGHTS
FROM OUR PEOPLE

ASIA-
PACIFIC



AISHWARYA UPADHYAYA
ASSISTANT PROJECT MANAGER

“Our team rose to the challenge and completed the project plan for a premium mixed-use development in less than 25 days. As a result, the client decided to retain Mace’s services.”

IRIS LEE
COMMERCIAL ASSOCIATE DIRECTOR

“It was a huge milestone for us to conclude five months of complex negotiations and planning for the Ba Son Development, and pave the way for the large scale residential scheme.”



DAN HOGAN
SENIOR PROJECT MANAGER

“2019 has seen our pursuit of a better way throughout our delivery, with innovative solutions to complex challenges including a ‘first of its kind in New South Wales’ rooftop play space at Homebush West Public School.”



MIDDLE EAST &
NORTH AFRICA

HELEN LATHAM
OPERATIONS DIRECTOR

“October 2019 marked one year to go to Expo 2020 and where our performance as Programme Manager was publicly judged; I’m incredibly proud to have been part of the team that exceeded Dubai’s expectations.”



KHALID ALI MIR
FACILITIES MANAGER

“This year we marked our eighth consecutive year of contract retention with EKI. We’ve implemented a 23% energy-use reduction and received high ratings from the educational authorities for both schools.”



ASHLEY THORN
COMMERCIAL ASSOCIATE DIRECTOR

“It was fantastic to see how implementing the Mace Way commercial processes on Opera District helped our client meet its 2019 targets.”



FOUR.

**OUR CONTRIBUTION
TO SOCIETY AND
THE INDUSTRY**

OUR CONTRIBUTION TO SOCIETY AND THE INDUSTRY

Mace is proud to use our global platform and expertise to help solve important challenges for our industry, clients and the communities in which we work. We do this in a number of ways, from sharing our expertise in industry best practice forums, taking a leading role in industry groups and regularly publishing thought leadership that draws on our expertise and delivery experience to provide fresh thinking and analysis on the most important issues of the day.

WORKING WITH THE UK CONSTRUCTION SECTOR

Mace's Group Board takes a proactive stance to work across our sector to help address issues that impact everyone – from clients to our peers and supply chain companies.

In the UK, our Group CEO Mark Reynolds is the Skills Workstream Lead for the Construction Leadership Council, an organisation established by the Department for Business, Energy and Industrial Strategy to facilitate better working between Government and the construction sector.

In this role he is responsible for working with cross-industry stakeholders, including the Construction Industry Training Board, to help address the skills challenges we face as an industry.

Our COO for Construction, Mark Castle, was Chair of Build UK, the largest UK membership body for the industry, until September 2019. Over his two years as Chair, Mark worked with the Build UK team as they led efforts to address late payment, retentions, bad contractual practice and a number of other key issues.

CHANGING THE CONVERSATION – OUR THOUGHT LEADERSHIP AND RESEARCH

Across the year, Mace publishes a range of research reports and thought leadership – from regular columns and editorials about the latest sector issues to our regular market view updates from our Cost Consultancy business. You can find our latest views and research on our website here: www.macegroup.com/perspectives.

A BLUEPRINT FOR MODERN INFRASTRUCTURE DELIVERY: WHY THINGS GO WRONG AND HOW TO PUT IT RIGHT

Infrastructure provides the foundations for economies to grow and lives to improve. In total, US\$5.25 trillion will be spent annually by 2030 on infrastructure globally with much of that being funded by taxpayers. Infrastructure projects are typically large and complex, making them prone to going over budget and late.

Many projects are born out of political circumstances and lack clarity over the root cause issue to be tackled. This can lead to poor governance, muddled decision making and, because there is no clarity, decisions about the compromises required not being made in a timely fashion.

According to our calculations for this report the world economy could be losing US\$1.5 trillion (£1.2tn) a year by 2030 due to the late delivery of major infrastructure projects. To avoid that tremendous cost, we need to radically improve the planning and delivery of infrastructure around the globe.

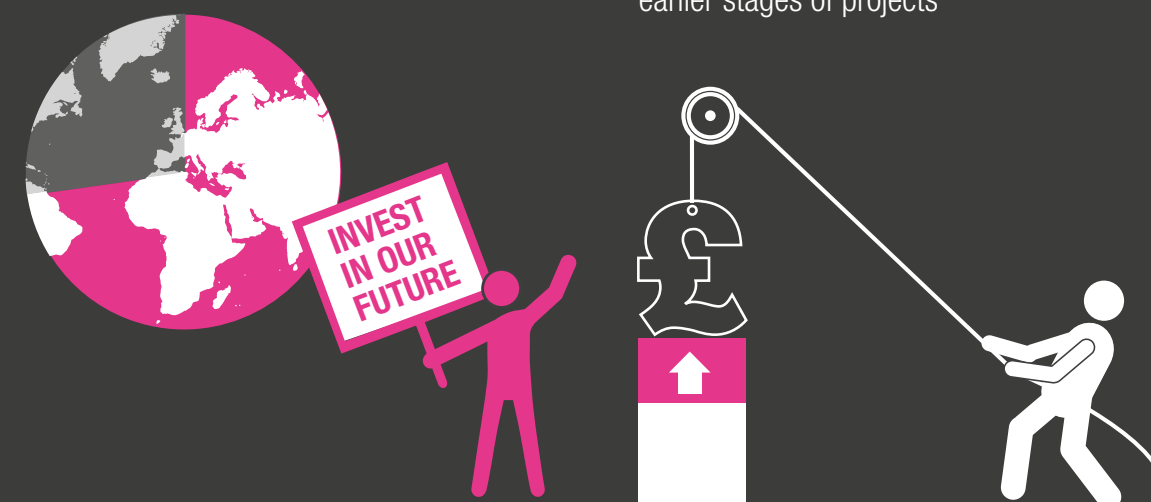
73%

of people across the world agree that investing in infrastructure is vital to their country's future economic growth

A report for the UK's Department for Transport by academics recommended a...

64%

optimism bias uplift in cost estimates in the earlier stages of projects



[CLICK HERE TO READ THE FULL REPORT](#)

OUR CONTRIBUTION TO SOCIETY AND THE INDUSTRY CONTD.

TRANSFORMING SOCIETY: USING CONSTRUCTION AS A CATALYST TO DELIVER CHANGE

Society is on the cusp of being transformed. Our public services, our homes and our workplaces are all about to change fundamentally, as improved data and construction methodologies unlock a new future.

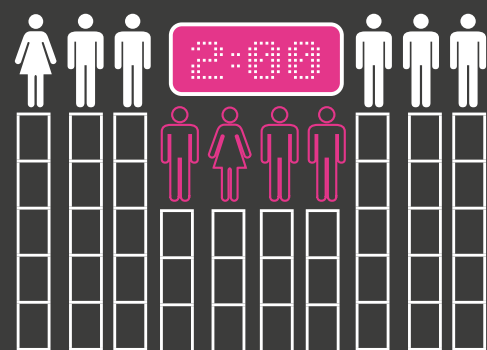
Structures and buildings will be built differently, designed around the user and optimised for how people actually use these spaces and environments. New construction methodologies – the long-heralded ‘construction revolution’ – are finally beginning to change how and what we build.

That revolution has huge implications for our global society. It will change how our public services are delivered and improve productivity across the world. Cheaper and more effective public services mean more capital available to invest in more facilities, better training or more nurses and teachers.

In this report we explore how potential productivity improvements could transform how we direct public infrastructure investment. Our huge infrastructure pipeline – more than £400bn of planned infrastructure projects and programmes – could be delivered in a way that reduces costs, improves reliability of delivery and produces better outcomes for everyone.

40%

of public sector workers stated that they were unproductive for more than two hours every working week because of their workplace environment



Between 2016–2021 over...

£48.6bn



has been allocated to infrastructure spending on education, health and justice

[CLICK HERE TO READ THE FULL REPORT](#)

JOINING THE DOTS: MOVING BEYOND PLACE TO HELP SOLVE THE UK'S INEQUALITY PROBLEM

The UK has a once in a generation opportunity to help close the inequality gap. When many people talk about inequality they only address income, which misses the complexity of the issue.

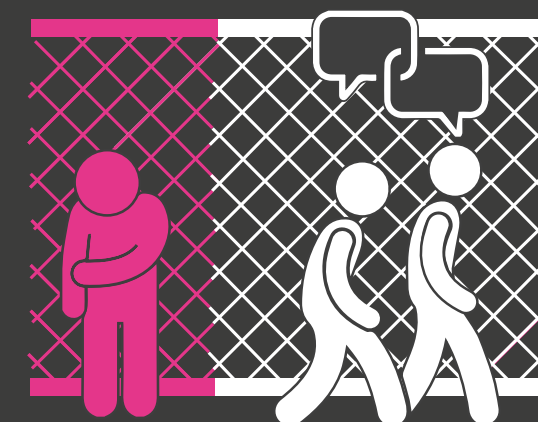
The Centre for Economic Policy Research found that less than 1% of the variance in life satisfaction is explained by income inequality. Things like life expectancy, job opportunities, quality of healthcare, availability of affordable housing and green spaces all impact satisfaction.

In this report, we look holistically at what drives a place and the interventions that will help it to thrive. That includes considering factors like our ageing population, where people work and how they get there, along with how to create ‘community capital’ (i.e. a stake in society) and a sense of belonging.

For the UK to prosper, our left-behind communities cannot be allowed to drift and stagnate any longer. A more holistic approach which joins the dots is needed if we are going to make our country feel like one.

Since 2005, the sense of belonging among young adults (20–29) has declined by...

32%



On average...

40

shops have been lost from every town centre since 2013



[CLICK HERE TO READ THE FULL REPORT](#)

FIVE.
**OUR ENGINES
FOR GROWTH**

DEVELOP

“In 2019 our development business continued to grow with over £2.1bn of assets under management. We signed the Development Agreement on the town centre regeneration scheme in Stevenage, continued construction on our student accommodation sites in Exeter and Oxford, reached practical completion on our Cardiff student development, and continued construction on our residential scheme in Greenwich which is due for completion in early 2020.

Richard Bienfait,
CEO for Develop

”

REGENERATION FOR GENERATIONS TO COME

Town centres across the UK are in need of major investment. As living and social habits have changed over the decades, towns have been slow to transform with many now lacking the facilities, infrastructure and aesthetic public realm to draw modern communities together.

In 2019, one of Mace’s major developments was the regeneration of Stevenage Town Centre. Kevin Cowin, Development Director, is responsible for ‘SG1’ a mixed-use site planned to offer, alongside significant outside public space, 1.1m sqft of buildings that will include new homes, shops, bars and restaurants.



Kevin Cowin
Development Director

“Stevenage Town Centre has seen little investment since the 1950s. Following several failed planning proposals due to the financial crash in 2008, Mace was appointed to transform the 14 acre site in 2018 as development partner.

“The town has a powerful sense of community pride and in 2019 local residents played a significant part in shaping the plans. Engagement with residents, businesses, and key stakeholders pinpointed local priorities, needs and hopes for the future, in particular the importance of greener public spaces, access to public services and quality of the built environment.

“With the planning application submitted in December, we additionally started demolition work on the Town Square in 2019, in anticipation of the SG1 project.

“The SG1 development is a creative example of a partnership between the public and private sectors, with Stevenage Borough Council putting to work its existing land interests to promote economic and physical regeneration, and Mace, as development partner, bringing the investment and delivery capability to deliver a long-term spatial, economic and social transformation which, in turn, will ensure an enduring legacy for the town.”



Stevenage SG1
United Kingdom

CONSULT

“

In Consultancy we are always trying to find better ways to deliver for our clients, from looking for ways to improve infrastructure delivery to vital public services, property and real estate for global corporates, and driving international growth and development.

In 2019, we brought our capabilities across corporate real estate, infrastructure and international closer together under the Consult engine and continued our focus on being the trusted delivery partner of choice. During the period, we secured a number of exciting new commissions – including at with the University of York in the UK, the MOD’s Defence Estate Optimisation programme in the UK, Keflavik International Airport in Iceland and the Ba Son Shipyard residential development in Vietnam. We also continued our vital work on major UK public sector frameworks, including police headquarters, brand new schools and major rail schemes.

2019 saw us deliver the fantastic and landmark Lima 2019 Pan American and Parapan Games venues alongside the Department of International Trade, and we successfully completed our cost management role on Global Switch’s Frankfurt data centre.

Our teams across consultancy performed strongly overall in 2019, with our turnover at £314m and profit before tax at £38m. We have a talented consultancy workforce of over 2,500 people across UK and Europe, The Americas, Middle East, Asia Pacific and Sub Saharan Africa, with an increasingly diverse portfolio of projects and programmes globally.

Jason Millett
CEO for Consult

”

NO CHALLENGE TOO COMPLEX

At Mace, we relish tackling the biggest challenges our industry has to offer. Few come more complex than the construction of Ithra Dubai’s mixed-used development, One Za’abeel.

This flagship scheme – which consists of two towers joined by the Link measuring 225m long that crosses the six lane highway positioned on the towers at over 100metres above the ground – has seen the Mace team meticulously plan and innovate to overcome a range of unique requirements, made all the more demanding by the scale of the task at hand.



Kathryn McLaren
Senior Project Manager, One Za’abeel

“One Za’abeel epitomises the entrepreneurial spirits of both Mace and Dubai. The landmark scheme, comprising two towers – one at 304 metres and one at 241 metres – and connected by the 225-metre ‘Link’, stands proudly in the Za’abeel district at the heart of the city and serves as another iconic reminder of the nation’s impressive growth in recent decades.

“2019 was a critical year for the project with the achievement of the ‘Link’ first slide in September, which marked the beginning of the journey of the ‘Link’s’ ascent to its final position on the buildings at 100m. The team also completed the design work for the ‘Link’ ahead of its planned 2020 lift, a core feature in making the project so unique.

“To construct this impressive steel and glass structure, the team will have to push engineering limits by building it on a temporary site-based platform in seven sections for lift 1 weighing 8,500 tonnes and one section for lift 2 weighing over 1,000 tonnes that will be welded together before being secured to the towers when lifted.

“This innovation, combined with the detailed planning that is going into preparing for the lift – which includes working with local authorities to secure road closures – is an excellent example of the approach we have taken throughout the project to ensure on-time delivery that meets our client’s expectations.”



One Za’abeel
Dubai

CONSTRUCT

“2019 was a strong year for the construction sector, despite the UK industry facing uncertainty around Brexit and fewer major projects coming to market. We handed over Tottenham Hotspur’s new 62,000 seat stadium, completed Nuveen’s 90m tall 70 St Mary Axe skyscraper and won awards for the outstanding sustainability credentials of the LSE Centre Building. As we move into 2020, we will continue to lead the way in digital technologies, sustainable solutions and offsite delivery methods that will ultimately transform our industry for the better.”

Gareth Lewis
CEO for Construct

TRANSFORMING CONSTRUCTION

Whether we are delivering record-breaking skyscrapers, transformative regeneration schemes or large infrastructure programmes, our mission is to continuously pursue a better way and challenge the status quo.

In 2019, we launched ‘Mace Tech’ a revolutionary construction to production approach that maximises offsite delivery through advanced digital technologies, led by Shaun Tate. Taking learning from our ‘jump factory’ approach at N08 (high-rise residential development in London), we went on to fully advance the approach at N06, the neighbouring development.



Shaun Tate
Mace Tech Director

“From the outset, innovation has sat at the core of N06 – supported by a forward thinking client and subcontractor partners.

“Since being appointed to deliver N06 – a build to rent scheme in the former London 2012 Athletes’ Village – the team’s focus has been on building on the lessons from N08 (our first major step into a digitally driven offsite manufacture and assembly approach) to push the boundaries of speed, quality, safety, cost and sustainability.

“By moving site activities into a factory based production line approach, over 80% of the building’s components arrive ready to install on site. At N06 we are now installing the façade and structure concurrently with bathroom pods, utility cupboards and MEP service modules, which is drastically reducing programme times and improving productivity up to six times compared to current industry performance.

“The result is that each floor is constructed in an enclosed environment which reduces the risks of working from height and supports a safer working environment.

“There is a huge opportunity to drive innovative construction methods and N06 is testament to how we will spearhead change across the industry with our construction to production approach. By removing unnecessary steps and digitising processes we are delivering engineered design solutions rather than delivering construction traditionally.”



N08 – East Village
London

OPERATE

“

For Mace's operate business, 2019 was a year of strategic growth, with contracts secured across our global regions. For the first time, Mace's facilities management business began working with retail clients, securing two contracts with two clients in locations throughout the UK and across Europe and the US.

In 2020 the business will continue to pursue our ambition of being a world-leading workplace experience provider. Through our expanding service offer we will support our corporate real-estate clients in creating environments that drive their company culture and business objectives.”

Ross Abbate
CEO for Operate

A WORKPLACE EXPERIENCE FOR EVERYONE

The facilities management industry continues to expand and develop, and as the industry recognises the importance of the workplace experience, Mace has enhanced its approach to implement an improved service delivery that continues to support all our clients' employees through engaging and productive workplaces.

In 2019, Colt, a long-standing facilities management client, extended their contract with Mace for a further three years. Richard Margetts, Associate Director, supports the account delivery contract which boasts 60 properties across 13 countries in Europe.



Richard Margetts
Associate Facilities Management Director

“Colt Technology Services is a technology firm that provides world-class network and communications services to businesses. Keeping all of Colt's locations online and running smoothly is vitally important and allows Colt employees to focus on ensuring Europe remains connected.

“In 2009, Mace was approached by Colt to deliver workspace services to their headquarters in London. Following this, Mace was awarded a contract in 2012 to deliver FM services to Colt's corporate real estate across the UK and Europe. When we were first appointed our main priority was to standardise its myriad processes into one clear structure and simplify its service delivery.

“Now, over ten years later, not only do we continue to work with Colt, but we've taken our approach to facilities management and improved upon it. Following a successful renegotiation of services in 2019, we continue to pursue a high standard of service delivery for Colt.

“At Mace we strive to build long-term relationships with our clients, where we can invest our expertise and capability in delivering service excellence for years to come. The continued partnership between Colt and Mace is a testament to our management-led model, demonstrating how a combined effort between service user and provider can create an efficient, engaging and productive workspace.”



Colt
United Kingdom

SIX.
**OUR 2022
BUSINESS
STRATEGY**

2022 STRATEGY

Mace people share a common drive to succeed, with an enthusiasm for their work and a passion for providing an exceptional service to our clients and communities where we work.

Our 2022 Business Strategy has been vital in guiding our decision-making to ensure we remain financially resilient and robust, be recognised globally as a leader in the industry and true delivery partner of choice.

We have continued to invest in, and develop, our people and capabilities – strengthening our global footprint in new markets and geographies, pushing the industry forward in areas such as modern methods of construction, and taking a bold stance as a responsible business in areas such as single-use plastic and carbon reduction. In addition, developing new technological and digital solutions, helping to help drive productivity and quality across all our projects.

TARGETS

ENGAGE, DEVELOP AND INSPIRE OUR PEOPLE	ACHIEVE STABLE AND SUSTAINABLE GROWTH	DRIVE INNOVATION TO IMPROVE SERVICE EXCELLENCE	BE A RESPONSIBLE BUSINESS
STAFF TURNOVER 10%	MARGIN 2.5+%	PRODUCTIVITY 10% <small>year-on-year improvement</small>	ACCIDENT FREQUENCY RATE 0.05
STAFF SATISFACTION 90%	REVENUE TARGET £2.2bn	INNOVATION FUNDING 3% <small>of turnover</small>	LOST TIME INJURY 0.21 <small>(per 100,000 hours worked)</small>
	FIVE YEAR CUMULATIVE PROFIT £180m	SERVICE EXCELLENCE 20% <small>year-on-year improvement</small>	ANNUAL CONTRIBUTION TO SOCIETY IN 2022 £500m <small>source: value2society</small>



ENVIRONMENTAL SOCIAL GOVERNANCE (ESG)

Environmental social governance refers to the three central factors in measuring the sustainability and societal impact of a company. Mace's ambition is to be an industry leader in our performance and measurement against the primary areas listed under each of these three areas. Many of these areas are picked up in detail in other sections of this report, but this table brings them together to demonstrate the breadth of our commitment to ESG principles.

This is our first year measuring ourselves on these targets; this is an indicative outline of our current ambitions and performance in each area. As our new 2026 Business Strategy develops and begins to be delivered next year, we plan to embed these principles across the business and report in detail against each in the future.

Further details of our environmental and health and safety performance can be found on pages 74–77 of this report.

	OUR AMBITIONS	OUR PERFORMANCE IN 2019	OUR VISION FOR THE FUTURE
ENVIRONMENTAL	Biodiversity	In 2016 we committed to creating 100ha of new biodiverse green space.	In 2019 we created and improved 29.6 hectares of green infrastructure, supporting long-term projects to create new biodiverse urban parks and providing access to nature in our city centres.
	Climate change	Addressing climate change is a major focus for the Mace Group and since 2012 we have had a public commitment to make our operations more sustainable. In 2017 Mace was the first construction company to sign up to RE100; a commitment to purchase 100% renewable power by 2022.	During 2019 we laid the ground-work for our 'industry-first' commitment to be Net Zero Carbon in 2020. We continued to work with a number of Mace's strategic clients to help them make their projects and programmes more sustainable. During the year 72% of the power we purchased was renewable.
	Pollution and air quality	In 2017 we set ourselves the challenge of delivering diesel-free construction.	In 2019 we continued to pilot new clean technologies and diesel alternatives and undertook a further 17 trials across our sites.
	Resource efficiency	In 2017 we set clear targets for waste minimisation and operational water and energy consumption across Mace.	Our waste generation and water consumption remained unchanged from 2018, meanwhile energy consumption improved marginally.
			By the end of 2020 we will commit to a 2026 biodiversity net gain target. Early in 2020 we set ourselves the target of becoming Net Zero Carbon by the end of the year. We have signed up to a number of commitments within the COP 26 business call to action, including measurement of all Scope 1, 2 and 3 emissions. We will continue to progress diesel-alternatives on site and anticipate substantially reducing our use of diesel over the next business plan period.

	OUR AMBITIONS	OUR PERFORMANCE IN 2019	OUR VISION FOR THE FUTURE
SOCIAL	Labour standards	Since 2015 we have had a comprehensive plan in place to support the requirements of the UK's Modern Slavery Act across our global operations.	We require our supply chain and their own suppliers to be members of Sedex and to welcome independent audit. We will continue to work with our international supply chain to encourage membership of Sedex and adoption of transparent labour standards across the globe.
	Community investment	We actively support local businesses, provide skills training and engage with schools and local communities. In 2018 we defined targets for each of our programmes of work. All Mace people are also encouraged to volunteer at least one day a year.	In 2019 we provided 1,571 skills, development and training opportunities (up from 209 in 2018) and recorded 6,311 points of community engagement (an increase from 4,756 in 2018). Mace people volunteered more than 26,000 hours (up from 21,000 in 2018) in 2019.
	Health, safety and wellbeing	Health, safety and wellbeing is our highest priority and is at the core of everything we do. Over the last thirty years of operations, Mace has strived to ensure that every person that works in our sites and offices goes home safe and well at the end of every day.	Over 5,300 Mace people, over 4,000 Mace managers and supervisors and 2,200 supply chain personnel have completed our 'Safety first. Second nature.' training programme. 89% of our construction projects had no reportable injuries (an improvement of 7% on 2018). Our lost time frequency rate dropped to a record 0.24 (a fall of 21% in a year) and our accident frequency rate reduced by 43% to 0.07. In 2019, 95% of our projects developed active wellbeing plans.
	Responsible procurement	We have taken a robust position on responsible procurement since 2012 and have evolved our policies over time to align with new best practices.	2019 results were consistently high. Highlights include that we increased our spend with social enterprises to £691k (up from £156k in 2018). We were also awarded the Worldwide Fund for Nature maximum '3 trees rating' for the third time. We will maintain our commitments to responsible procurement of commodities and major materials. We aim to engage with all major Mace suppliers such that they also have a Net Zero Carbon strategy in place within the next business plan period.

ENVIRONMENTAL SOCIAL
GOVERNANCE (ESG) CONTD.

		OUR AMBITIONS	OUR PERFORMANCE IN 2019	OUR VISION FOR THE FUTURE
GOVERNANCE	Anti-corruption	In 2019 we introduced Mace's Code of Ethics, encompassing our zero-tolerance approach across our global network to modern day slavery, criminal activity, facilitation of tax evasion and the promotion of human rights, inclusivity, fair competition.	All Mace colleagues must comply with our Code of Ethics and are required to certify every six months that they have read and understood the code as published.	We continue to work with our partners and supply chain to ensure that they equally adopt similarly high standards that Mace applies.
	Corporate governance	In 2019 the Company applied the Wates Corporate Governance Principles as the framework for its corporate governance arrangements along with ensuring compliance with S172 of the Companies Act 2006.	We have largely met, and in some areas full exceeded the Wates Corporate Governance Principles.	Our ambition is to become an industry leader in large private company governance. This is the first year of applying the framework which we will continue to develop and improve.
	Risk management	<p>As a global business operating within four distinct sectors, consultancy, construction, developments and facilities management, our exposure to risk is mitigated as a result of the strong diversification of our portfolio.</p> <p>Our Risk and Audit committee, as a delegated authority of the Mace Executive Board provides assurance that the business is fulfilling its corporate governance duties.</p>	<p>Management and risk controls are embedded in our internal MaceWay system, and are monitored through our internal audit programme and reviewed by our certification body.</p> <p>Our internal Compliance & Audit team ran a programme of internal audits. In total 131 audits were undertaken equating to 169 audit days.</p> <p>On external auditing, our Independent Certification Body delivered a total of 85 audit days across 7 ISO standards.</p>	<p>The following areas of focus have been determined to ensure the continued effectiveness and consistency of the Group; risk management and internal controls, external audit; corporate assurance; and financial reporting.</p> <p>A programme of scheduled audits will continue to be conducted both in the UK overseas to ensure alignment with Group policies and to evaluate performance against defined standards and best practice.</p>
	Tax transparency	We are firmly committed to the principles of tax transparency and the implementation of measures globally to prevent the facilitation of tax evasion.	As part of our increased focus on governance, procedures and a programme of improvement to align with the annual Senior Accounting Officer ("SAO") certification, a clean SAO certificate was issued during the year.	We continually strive to educate employees, partners and our supply chain, to champion wider adoption of governance and processes that support tax transparency.

ENGAGE, DEVELOP AND INSPIRE OUR PEOPLE

6,125

Mace people
employed around
the world

Direct employee
headcount: 5,416



Mace's success is founded on the strength, innovation, creativity and resilience of our people. Across the globe, Mace's employees consistently deliver exceptional results on behalf of our clients, time and again. We are very proud of our diverse and inclusive approach, and that we are able to provide our people with the challenges that define their career and give them purpose.

Our clear ambition is to be an employer of choice in every market we work in. We want everyone who comes to work at Mace to be inspired and choose to develop their career as part of our organisation. In order to do so, we work to make sure that we hire, retain and invest in the best people working in our industry.

In 2019, our headcount remained broadly stable compared to 2018, at 6,125 people. This is in line with our plans as laid out in the 2022 Business Strategy. In each of our Engines for Growth, we have continued to invest in and develop our people.

DIVERSITY AND INCLUSION

Creating an environment where everyone feels valued, able to contribute and to be their best is vital to our success. If we cannot draw on a diverse breadth of experience and expertise around the globe, we will not be able to continue to be a disruptive and successful business.

2019 saw Mace continue our drive to proactively promote diversity and inclusion across our business – and this has been recognised in a number of different ways. In 2018 we launched Mace's unconscious bias training programme, and by the end of 2019 more than 85% of employees had completed the training. In May we joined Stonewall's Diversity Champions Programme and in September Mace was ranked 142 out of 503 companies in our first submission to the Stonewall UK Workplace Equality Index.

We launched a new Ethnic Diversity Network to champion the issues that affect our people who come from ethnic minority backgrounds, and that group is already making a significant impact on the business. Our Pride group, Pride at Mace, also saw significant success, working with the business to launch our first policy aimed at supporting and empowering our transgender employees.

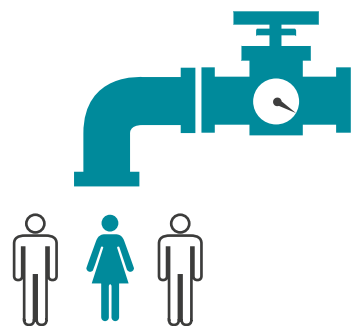
238

apprentices, trainees,
graduates and
industrial placements
in 2019



33%

of our talent
pipeline was
made up of
women



14th

at the 2019-20 National
Undergraduate Employer
Awards, higher than any
other construction employer.



For the first time, in 2019 we published a joint gender and ethnicity pay gap report, going above and beyond our statutory reporting requirements to identify areas where we need to do further work. Although our pay gap results are promising, it is clear that there is still much work to be done.

BEHAVIOURS FOR SUCCESS

Our behaviour framework, Behaviours for Success, was launched in 2018 and was designed to help people who work for Mace identify and develop the key behaviours that we believe will make Mace a better place to work.

Throughout 2019, we continued our work to embed the behaviours framework across the business. It is now formally incorporated into the appraisals process for everyone who works for us, driving home the importance of displaying the right behaviours in the workplace.

Later in the year, we held our second 'Leading for Success' conference, which saw Mace's senior leadership team come together to focus on two specific behaviours, 'collaborates and networks' and 'creates and innovates'. The programme continues to grow from strength to strength and will be developed further in 2020.

OUR TALENT PIPELINE

In order to continue to be a disruptive and successful business, we know that we need to build a pipeline of exceptional talent. To do so, we work hard to identify and develop the leadership of the future – whether that is through our award-winning entry schemes for apprentices, graduates and trainees – or through our development programmes that train and develop Mace's future leaders.

Overall, in 2019 Mace took on 118 graduates, 101 apprentices and trainees and 19 people on industrial placements, representing a larger investment in our talent pipeline than any year in our history. Thirty nine percent of our graduates were women, and twenty five percent were from a BAME background; and a quarter of our apprentices and trainees were women.

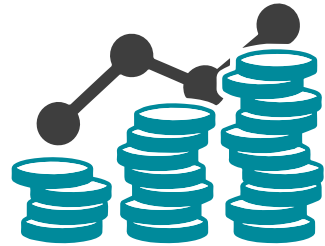
Our success in this area has been recognised by the industry. In 2019 Mace ranked in Top 10 Most popular graduate recruiters in Construction, Surveying and Civil Engineering at the 2019 National Graduate Recruitment Awards, and we won the award for Best Advanced Apprenticeship at the 2019 School Leaver Awards. Finally, Mace ranked 14th at the 2019-20 National Undergraduate Employer Awards, higher than any other construction employer.

ACHIEVING STABLE AND SUSTAINABLE GROWTH

£23.5m

Profit before tax

▲ 30%



In 2019, Mace continued to drive forward with the vision laid out in our 2022 Business Strategy. Following an expected increase in revenue in 2018 to £2.3bn due to an upturn in our work in the international datacentre market, 2019 saw the business return to our planned revenue projections; achieving £1.8bn in turnover.

We increased our margin significantly, resulting in a £25.3m profit. This is our 29th consecutive year of turning a profit. This was achieved through prioritising winning the right work, with the right clients at the right margin.

The 2022 Business Strategy outlines our commitment to achieving strong and sustainable growth across all four of our 'Engines for Growth': development, consultancy, construction and operations. To do so, we have aimed to improve margins in our mature markets, achieve controlled growth where we are working in new sectors and geographies – and by securing work on major, long-term programmes.

THE YEAR IN REVIEW

In 2019 our development business was involved with schemes with a development value of over £2bn. We made considerable progress and achieved some significant milestones on our town centre regeneration scheme in Stevenage Town Centre, on our student accommodation projects in Exeter, Cardiff and Oxford. Construction on our residential scheme in Greenwich continued in the year with the first units of 239 units in total being completed early in 2020.

Our consultancy business grew turnover by 15% to £314m in 2019 (2018: £274m) and headcount increased to 2,803 (direct employees: 2,542) (2018: 2,679 total, direct employees: 2,397). Mace completed a number of landmark consultancy projects in 2019, including a major construction milestone for Expo 2020 Dubai – the Al Wasl dome, the successful delivery of major sporting venues at the Lima 2019 Pan American and Parapan American Games and working for the Department for International Trade.

We continued our successful approach to securing long-term projects and programmes to diversify our risk and build our margins. In 2019, we were awarded a number of major programmes that will provide a long-term revenue and profit stream to the group; including the Defence Infrastructure Organisation

£1.8bn

Turnover



£524m

International work



(DIO) as Client-Side Partner (CSP) to support delivery of the Defence Estate Optimisation (DEO) Programme, the appointment by HS2 to deliver a new station at Euston and securing our role on Iceland's Keflavik Airport's Major Development Plan.

Our construction business had another successful year, contributing £1.4bn of turnover in 2019 reflecting 78% of the Group's turnover (2018: £2bn – 84%). Our headcount increased to 1,861 (direct employees: 1,538), reflecting the increased level of construction management schemes being delivered by our business. More than £688m of work managed on behalf of our clients is not included in the Group's wider turnover reporting.

During 2019 our facilities management business changed its name from Macro to Mace Operate. The business increased turnover to £72m (2018: £66m) however headcount decreased to 1,038 (direct employees: 995) (2018: 1,140 total, direct employees: 1,079).

Each of our Engines for Growth saw structural changes in 2019 that will enable them to taking more accountability and responsibility for delivering the strong and sustainable growth that we prioritise. This includes the appointment of a new CEO role to lead each business.

GLOBAL ECONOMIC OUTLOOK

These accounts were signed in November 2020, and since the end of 2019 the coronavirus pandemic has caused an unprecedented level of global economic uncertainty.

Our 2019 annual results demonstrate that the successful delivery of the first two years of our 2022 Business Strategy have positioned Mace well to be resilient in the face of these challenges. Our focus on sustainable growth and a diversification of our risk has meant that we have been able to manage the impact of the pandemic effectively.

We also face the impact of the end of the transition period for the UK's exit from the European Union in December, and the uncertainty of whether a trade deal will be agreed and what impact the outcome may have on our business and the wider UK and European economies.

Given these factors, it is clear it is now extremely hard to predict what the international economic outlook will look like next year. However, we remain extremely confident that there is a critical role for Mace to play in the global economic recovery – and that our business is resilient and flexible enough to thrive in the new environment we face.

LOOKING FORWARD

Building on the success of the 2022 Business Strategy, Mace is currently in the process of developing a new business strategy; one that evolves our strategy to reflect the changes we have seen over the last nine months.

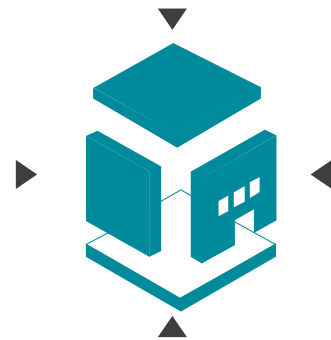
Many of the markets that Mace works in – including datacentres, infrastructure delivery and healthcare construction – are likely to continue to thrive in 2020 and beyond. We continue to invest in the new technology and approaches that will allow us to deliver projects on behalf of our client more sustainability and more productively; making us a market leader across the sectors and geographies we work in.

Overall, we expect that 2020 will see a significant reduction in our revenue and margin, in line with many companies in our sector; but that we are exceptionally well positioned to respond quickly to these changes and return to growth in 2021.

DRIVING INNOVATION TO IMPROVE SERVICE EXCELLENCE

£51m

R&D investment

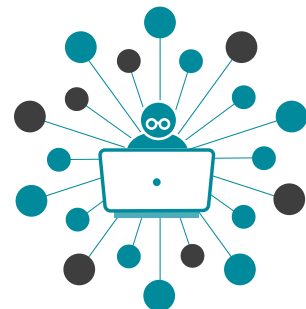


Over the last 30 years we have continuously strived to do things smarter – developing new solutions that realise greater efficiencies for our clients.

Our business priority, ‘driving innovation to improve service excellence’ has further supported that commitment, reinforcing our ambition to create new and more efficient methods of delivery, embracing digital transformation and further embedding a culture that inspires and encourages our people to think and act differently.

227

contributions to the Mace Knowledge Hub



Our approach has seen us recognised as a leader in progressing our industry and in 2019 we raised the bar, not just in developing new ways of working through the use of BIM, the introduction of modern methods of construction and the launch of Mace Tech (Mace’s construction to production approach), but in the way we encouraged greater collaboration.

INNOVATION

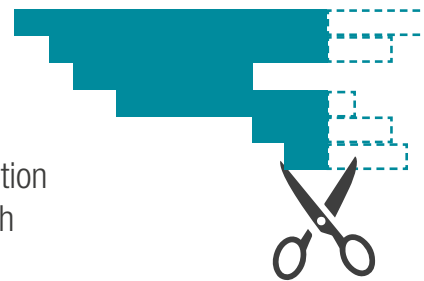
From developing new methods of construction, pushing the boundaries of off-site production and taking learning from every corner of the globe, our approach in 2019 has seen us bring greater efficiencies to projects such as Battersea Power Station, Tottenham Hotspur Stadium, the Pan-American Games and international pharmaceutical programmes.

Across the year we rolled out 12 new design standards that included underfloor heating, bathroom pods and waterproofing of roofs. We introduced 30 new technical training modules that included dry lining, brick and block work, and fire rated ductwork, and established a company-wide BIM group to better collaborate across the full property life cycle. In September, following a major audit and research programme, we launched a ‘digital catalogue’ to streamline applications used across the business.

As a global company it is important that the standards we strive for are applied in equal measure across all our projects world-wide. In June Mace became one of the first companies in the world to be awarded the new ISO-19650 BIM accreditation – enabling us to demonstrate compliance with BIM standards anywhere in the world.

25%

faster construction delivery through Mace Tech



20%

reduction in construction snags



The future success of our industry relies on us thinking differently, developing new techniques and better embedding technology to support delivery. In 2019 we implemented a new system to automatically capture and process visual data from across our construction sites and we accelerated towards delivering 85% of manufacturing off-site by 2020, increased productivity on our projects by up to 35% and developed a method for designing and assembling residential towers 25% quicker and with 70% less waste.

In December, following the success of our award winning ‘jump factory’ delivery method at N08 East Village, we launched a new business to embrace cutting edge digital technologies and off-site construction methods. Mace Tech spearheads our construction to production approach, maximising offsite delivery methods and harnessing advanced digital technologies, ultimately offering higher quality, more sustainable delivery while realising substantial cost savings and safer construction.

Investment in research and development is the key to driving our industry forward, and in 2019 we invested £51m which included development of our High-Rise Solution capability (seeking to further reduce time during construction by 30%, vehicle movement by 40% and construction waste by 70%), development of new construction elements, temporary works processes, and making substantial improvements in mechanical and electrical services.

We continued our work with the Construction Leadership Council, particularly supporting the skills workstream, chaired by our Group CEO, Mark Reynolds, which made inroads to address key challenges across the industry. Mark Castle, Mace’s Deputy COO for Construction, continued his role as Chairman of Build UK before stepping down in September.

SERVICE EXCELLENCE

By relentlessly focusing on the needs of our clients we continue to enhance the value we bring to new challenges.

In 2019 we launched a Group-wide service excellence strategy. Our focus, across every one of our projects, is to create a one team approach that supports collaboration and learning so that we maintain a client focus, drive quality through every opportunity and seek continual improvement.

In April we subsequently developed a comprehensive service excellence delivery plan for our construction business that introduced five client-focused KPIs.

Adoption of the plan and the roll out of our ‘four steps to quality initiative’ towards the end of the year saw 16 of our construction projects achieve ‘service excellence’ – a client-led verification of the five KPIs, which include handing over the project ‘snag free’.

Over the year, the number of snags at handover reduced significantly and we exceeded our 20% year-on-year reduction target, with many projects consistently achieving single figure or zero snags.

A fundamental part of our commitment to use innovation to drive service excellence comes from the way we share and learn within our business. In 2019 our Knowledge Hub (Mace’s internal mechanism for sharing learning) saw 227 contributions from people across Mace and led to greater adoption of best practice.

The implementation of the service excellence strategy has had a profound effect on our mindset of what is achievable. As we move into 2020, we will be looking to take our learning from construction into our other engines for growth to push the boundaries of what is possible in realising greater service excellence through our services.

BE A RESPONSIBLE BUSINESS

SUSTAINABILITY

£522m

Value to society



We are not only driven by a commitment to creating lasting legacies that benefit communities, we are clear that the wider pressures of growing populations, urbanisation and diminishing resources present opportunities for disruptive change that will benefit our planet and future generations.

As an industry leader we have a responsibility to spearhead positive change, introduce best practices throughout our global networks and help lead our industry to do the right thing.

In 2019 we continued to deliver against our responsible business strategy, creating even more opportunities for people, trialling new clean technologies and pushing the boundaries of sustainable construction. Our focus remains aligned with environmental, social and governance (ESG) principles and United Nations Sustainable Development Goals.

As we moved towards the end of the second year of our strategy our value to society was quantified at £522m – exceeding our 2022 target three years early.

WELLBEING AND OPPORTUNITY

Our global reach and presence in both busy capitals and remote locations affords us the opportunity to work with different communities whether it be through supporting local businesses, providing skills training or developing opportunities to work within our industry.

In 2019 we spent £691k with social enterprises (up from £156k in 2018) – increasing our range of products and services that generate social and environmental outcomes. Throughout the year we dramatically expanded the work that we do with schools and specialist groups that support vulnerable and difficult to reach adults. In total, we provided 1,571 skills, development and training opportunities (up from 209 in 2018) and recorded 6,311 points of community engagement (an increase from 4,756 in 2018).

A significant part of our outreach ambitions relies upon the generosity of our people giving their personal time and expertise to supporting others. In total, Mace employees gave over 26,000 hours (up from 21,000 in 2018) to volunteering causes and pro-bono work in 2019.

43
50

CCS average score (industry av 36.74)



29.6

hectares of biodiverse green space



65%

of renewable energy procured



£691k

spent with social enterprises



QUALITY OF ENVIRONMENT

Reducing the environmental impacts of the work we do requires us to think differently, challenge the status quo and, at times, take an industry leading position to influence bold and ambitious steps.

In 2019 we took action by creating and improving 29.6 hectares of green infrastructure, starting long-term projects to create new urban wildlife parks and providing access to nature in our city centres.

Research and development continued to play a major part in our efforts. We played an active part in moving the industry forward through trials and shared learning and led 17 clean tech trials across our sites.

A major challenge for the construction industry continues to be the amount of waste generated. Throughout 2019 we ran a global campaign to reduce single-use plastic waste in our offices by 80% and on sites by 20% – a target we achieved and beat before the end of the year.

In July, the World Wide Fund for Nature (WWF) awarded Mace the maximum '3 trees rating' for the third time, in recognition of our commitment and progress towards responsible sourcing of sustainable timber. As the only major contractor to receive this accolade we were incredibly proud of our efforts.

RESOURCE EFFICIENCY

The construction industry has a long way to go before it will be able to fully operate as a circular economy – eliminating waste and the continual use of new resources. The use of diesel is still prevalent, largely due to a lack of alternative heavy machinery, however in 2019 we made strides by introducing diesel free generators across our construction sites.

Carbon emissions remain a major challenge for our business. Throughout 2019 we continued our efforts to reduce our carbon footprint in our energy use, embodied carbon emissions, business travel, waste generation and water use. Throughout the year we maintained a consistent 65% of renewable energy procured.

Increasing the amount of off-site construction we deliver is one of our solutions to driving resource efficiency in the industry. In 2019 we launched Mace Tech, an off-site construction solution that delivers 75% less waste, 15% less embodied carbon and requires 40% less vehicle movements.

At the end of 2019, we pledged to be net zero carbon in 2020. We developed a new strategy to guide our efforts to reducing our own carbon emissions and supporting our clients and supply chain partners to do the same. In 2020 we hope to achieve greater outcomes through our commitments – delivering a number of strategies that support ESG principles and Sustainable Development Goals (SDGs).

IN 2019 WE CONTINUED TO DELIVER POSITIVE OUTCOMES WHICH ALIGNED WITH NINE OF THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



BE A RESPONSIBLE BUSINESS

HEALTH, SAFETY AND WELLBEING

0.07

Accident frequency rate **reduced** by

43%



Over the last 29 years our commitment to health, safety and wellbeing has not faltered. We have been consistently clear that it remains our number one priority and we have continued to challenge our behaviours and processes to reinforce high-standards and reduce risks in every aspect of our operations.

In 2019 we launched a new descriptor on our value 'safety first'. After significant consultation across the business, we launched 'going home safe and well' to better reflect our ambition and to emphasise the importance of our people's wellbeing, as well as their health and safety.

HEALTH AND SAFETY

In 2019 we took a fresh approach to tackling on-site incidents and near-misses. Using analytics gathered over the past five years we developed targeted awareness campaigns that focused on the major risk areas such as falls from height and electrical safety.

We continued to reinforce our commitment and standards through our 'Safety first. Second nature.' training programme. Since it began in 2011 it has now reached over 9,300 Mace people, and almost 20,000 supply chain personnel.

Our efforts delivered significant results with 89% of our construction projects having no reportable injuries (an improvement of 7% on 2018). Our lost time frequency rate dropped to a record 0.24 and our accident frequency rate reduced to 0.07.

The commitment and dedication to be world-leading in our health, safety and wellbeing approach has no limit. Constantly striving to raise the bar takes considerable time and expertise and we are proud that our efforts received national and international recognition in 2019.

Mace received a total of 10 awards at the 2019 Royal Society for the Prevention of Accidents (RoSPA) annual awards ceremony, including eight gold medals and two gold awards. Well done to our business units that were awarded gold medals (recognition of achieving more than five consecutive gold awards).

2019 additionally saw two of our projects, Battersea Power Station Phase 2 and Greenwich Peninsula, awarded British Safety Council Swords of Honour following five-star audits earlier in the year for health and safety management excellence.



0.24

Lost time injury frequency rate

51,242

Health & safety observations **reduced** by

22%



4.2

Good days at work each week.



Having been one of the founding construction companies involved in the development of the original CLOCs (Construction Logistics and Community Safety) standard in 2013, we reaffirmed our commitment by obtaining Champion Member status in January 2019 before later being named 'Outstanding Champions' at the CLOC annual conference in recognition of our commitment and positive action in ensuring the safest construction vehicle journeys across the company and the wider construction sector.

HEALTH AND WELLBEING

Over the last few years the engagement in our wellbeing agenda has steadily increased with conversations about mental health and physical wellbeing encouraged and supported through regular campaigns and activities.

In 2019, 95% of our projects developed active wellbeing plans with record numbers of teams across the globe logging activities, from one-to-one 'time to talk' coffee breaks to training, seminars and fitness classes.

Continuing to regularly talk about mental health and physical wellbeing and by marking events such as mental health awareness week, time to talk day and annual wellbeing week, is gradually breaking down stigmas and barriers that affect our industry in particular.

This has been highlighted through the results of our annual employee survey that looks at good days at work, employee engagement and conversations on health. In 2019 employees told us they average 4.2 good days at work each week, there has been a 7% increase in line managers talking to teams and individuals about mental health 'often' and 'always', and the number of employees who said they would feel comfortable revealing a mental health condition at work has increased to 66%. Our work will continue so that everyone can start enjoying more good days at work.

Visible leadership in health and wellbeing increased by 13% from 2017 to 2019 due to the interventions put in place. In addition, we enhanced our mental health training programme in 2019 to relaunch in 2020 with a focus on holistic conversations for health to give line managers more confidence in supporting teams.

Over the course of the year we facilitated a collaborative wellbeing survey project with Robertson Cooper and 16 members of our supply chain, with over 4,500 respondents across the industry. Working as one project team we delivered a condensed survey to understand the drivers of health and wellbeing across the industry and we were able to identify insightful industry and Mace project trends. Several workshops were held to support the companies and contractors in interpreting their data and develop action plans.

For the sixth year running we held our annual awards ceremony to recognise and celebrate the health, safety and wellbeing achievements of our people across the world and our supply chain partners. The evening saw a number of inspiring people, teams and projects take home trophies in recognition of their outstanding efforts to champion health, safety and wellbeing practice, challenge the status quo and take responsibility for raising the bar. Well done, in particular, to John Kiruthi, Construction Director, who won the Outstanding Achievement Award for his approach to creating a positive culture where everyone feels respected, involved and welcome, and to the PREACH business unit for winning the Supreme Award for going above and beyond to deliver excellence at every level and for the team's commitment to meet and exceed Mace standards.

In 2020, we will continue to do more – enhancing analytics, entrenching safe behaviour, engaging our stakeholders and evolving our approach so that it is world-leading across the full health, safety and wellbeing spectrum.

Thank you to all Mace colleagues, partners, supply chain and clients for your commitment to making our business and industry safer and healthier, for actively supporting the wellbeing of each other, for challenging us to be better and for making sure the safety of you and your colleagues remains the number one priority.

GOING THE EXTRA MILE AROUND THE GLOBE

Our vision is 'to be the industry leader in shaping cities and building sustainable communities' and, as part of that commitment, we believe it is our social responsibility to go the extra mile in the areas that we work.

From redecorating small charity centres to educating local school children about career opportunities in construction, we actively seek opportunities to help charities, small businesses and facilities that form the foundations of any community.

In 2019, employees across Mace volunteered over 26,000 hours of volunteering and pro-bono support to communities around the world.



The Mace India team worked with **'Habitat for Humanity'** to improve the sanitation on a slum in Pitampura, New Delhi.



The Mace team supported the planning and delivery of a new multi-use, community games area in central London for the charity **'Ambition, Aspire, Achieve' (AAA)**.



Our facilities management team in Atlanta, Georgia, supported a local nature reserve **'Blue Heron Preserve'** by collecting rubbish from the many rivers, creeks, streams and surrounding floodplains.



Our project team in Amsterdam volunteered their expertise to transform a local youth football club.



The Mace team in Vietnam worked to clean up a beach for **World Environment Day**.



Mace's Pan American Games team in Lima, Peru, supported **'Project Peru'** – a children's refuge for young people who come from extreme poverty.

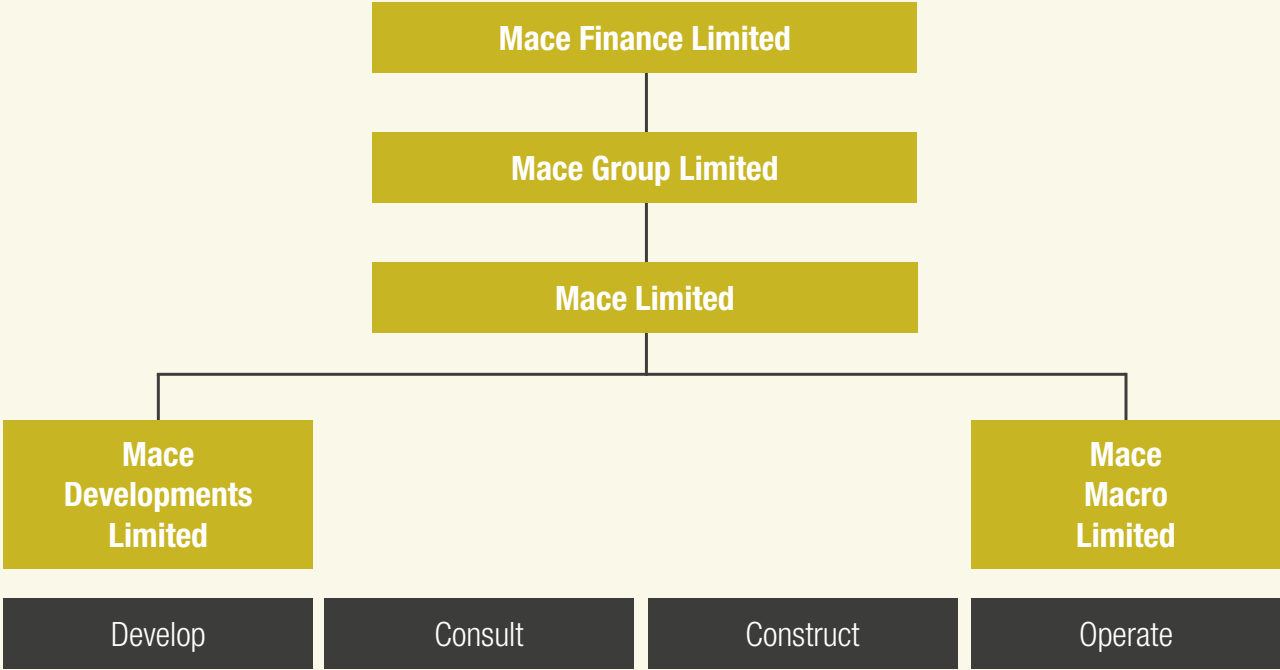


The team in Abu Dhabi raised over £34,000 for the charity **'Operation Smile'**, to support 180 life changing cleft palate operations for children around the world.

SEVEN.

**OUR FINANCIAL
STATEMENTS**

OUR REPORTING
STRUCTURE



This year Mace Group is publishing the consolidated accounts of Mace Finance Limited, the ultimate parent entity. In prior years, the Group published the consolidated accounts of Mace Limited, a wholly owned subsidiary of Mace Finance Limited. We have and will continue to produce consolidated accounts at Mace Limited, and these accounts will also be available on our website.

Please see below for download links for the full submitted reports and accounts for Mace Finance Limited and Mace Limited.

Mace Finance Limited	Mace Limited
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ANNUAL ACCOUNTS
YEAR ENDED 31 DECEMBER 2019

On pages 83 to 85, as an extract from the audited statutory accounts, we present the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows for Mace Finance Limited for the year ended 31 December 2019.

On pages 86 to 88, as an extract from the audited statutory accounts, we present the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows for Mace Limited for the year ended 31 December 2019.

MACE FINANCE LIMITED – CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2019

	2019 £000s	Restated 2018 £000s
Group revenue	1,782,279	2,315,297
Cost of sales	(1,620,314)	(2,168,629)
Gross profit	161,965	146,668
Administrative expenses	(128,393)	(129,250)
Fair value on financial assets measured at FVPL (inc. derivatives)	(444)	-
Operating profit before exceptional items	33,128	17,418
Exceptional items	(6,205)	-
Operating profit	26,923	17,418
Share based payment	-	(153)
Share of profit of associates and joint ventures	5,659	1,045
Profit on disposal of a subsidiary	-	1,920
Profit on ordinary activities before interest	32,582	20,230
Finance income	182	3,769
Finance costs	(7,430)	(4,538)
Profit on ordinary activities before taxation	25,334	19,461
Income tax expense	(8,102)	(4,198)
Profit on ordinary activities after taxation	17,232	15,263
Profit for the year attributable for		
Owners of the parent	16,855	14,513
Non-controlling interest	377	750
	17,232	15,263
Other comprehensive income		
Items that will or may be classified to profit and loss		
Exchange differences on re-translation of foreign subsidiaries	(3,240)	(398)
Recycling of accumulated of foreign exchange differences on disposal of foreign operations	4,092	-
Items that will not be classified to profit and loss		
Fair value movements on other investments classified as fair value through other comprehensive income	45,765	7,500
Total comprehensive income for the year	63,849	22,365
Owners of the parent	63,472	21,615
Non-controlling interest	377	750
	63,849	22,365

MACE FINANCE LIMITED – CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS

YEAR ENDED 31 DECEMBER 2019

	31 December 2019 £000s	Restated 31 December 2018 £000s
Non-current assets		
Property, plant and equipment	28,782	14,807
Intangible assets	156,868	147,919
Deferred tax assets	4,486	2,905
Investments in joint ventures & associates	3,072	1,772
Other investments	8,600	18,500
Total non-current assets	201,808	185,903
Current assets		
Trade and other receivables	399,750	455,832
Development work in progress	237,403	140,697
Development loan to joint venture	57,917	54,907
Other work in progress	-	1,976
Cash at bank	202,281	217,407
	897,351	870,819
Current liabilities		
Trade and other payables	(637,283)	(747,950)
Provisions	(29,188)	(19,658)
Financial liabilities	(1,544)	-
Lease liabilities & borrowings	(134,098)	(25,695)
	(802,113)	(793,303)
Net current assets	95,238	77,516
Total assets less current liabilities	297,046	263,419
Non-current liabilities		
Trade and other payables	(10,831)	(10,831)
Lease liabilities and borrowings	(241,784)	(201,644)
	(252,615)	(212,475)
Net assets	44,431	50,944
Capital and reserves		
Called up share capital	2	56,766
Share based payment	9,803	9,242
Own shares	(1,228)	(538)
Accumulated reserves	34,049	(16,214)
Equity shareholders' funds	42,626	49,256
Non-controlling interests	1,805	1,688
	44,431	50,944

MACE FINANCE LIMITED – CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2019

	Year ended 31 December 2019 £000s	Restated Year ended 31 December 2018 £000s
Cash flows from operating activities	(51,307)	13,528
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(13,460)	(10,682)
Dividends received from JV & Associates	5,348	-
Acquisition of investments	(594)	(7,500)
Disposal of subsidiary	-	1,920
Proceeds from disposals of fixed asset	-	30
Net cash used in investing activities	(8,706)	(16,232)
Cash flows from financing activities		
Dividends paid to company shareholders	(7,497)	(6,637)
Dividends paid	(120)	(194)
Own shares acquired	(1,183)	-
Employee benefit trust receipts	-	557
Employee benefit trust payment	-	(1,400)
Increase in borrowings	46,232	40,143
Repayment of borrowings and lease liabilities	(5,839)	(5,000)
Repayment of loan notes	(2,500)	(16,500)
Net cash generated in financing activities	29,093	10,969
Net (decrease)/increase in cash	(30,920)	8,265
Cash at bank and bank overdrafts at beginning of year	202,584	193,767
Effects of currency translation on cash at bank and bank overdrafts	(1,693)	552
Cash at bank and bank overdrafts at end of year	169,971	202,584
Cash at bank and bank overdrafts	2019 £000s	2018 £000s
Cash at bank	202,281	217,407
Bank overdrafts	(32,310)	(14,823)
	169,971	202,584

MACE LIMITED – CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2019

	2019	Restated 2018
	£000s	£000s
Group revenue	1,782,279	2,315,297
Cost of sales	<u>(1,620,314)</u>	<u>(2,168,629)</u>
Gross profit	161,965	146,668
Administrative expenses	(121,731)	(125,532)
Fair value on financial assets measured at FVPL (inc. derivatives)	(444)	-
Operating profit before exceptional items	39,790	21,136
Exceptional items	<u>(6,205)</u>	<u>-</u>
Operating profit	33,585	21,136
Share of profit of associates and joint ventures	5,659	1,045
Profit on disposal of a subsidiary	<u>-</u>	<u>1,920</u>
Profit on ordinary activities before interest	39,244	24,101
Finance income	3,375	3,769
Finance costs	<u>(7,366)</u>	<u>(4,112)</u>
Profit on ordinary activities before taxation	35,253	23,758
Income tax expense	<u>(10,252)</u>	<u>(6,922)</u>
Profit on ordinary activities after taxation	25,001	16,836
Profit for the year attributable for		
Owners of the parent	24,624	16,086
Non-controlling interest	<u>377</u>	<u>750</u>
	25,001	16,836
Other comprehensive income		
Items that will or may be classified to profit and loss		
Exchange differences on re-translation of foreign subsidiaries	(3,240)	(398)
Recycling of accumulated of foreign exchange differences on disposal of foreign operations	4,092	-
Fair value movements on other investments classifies as fair value through other comprehensive income	<u>45,765</u>	<u>7,500</u>
Total comprehensive income for the year	71,618	23,938
Total comprehensive income for the year attributable to:		
Owners of the parent	71,241	23,188
Non-controlling interest	<u>377</u>	<u>750</u>
	71,618	23,938

MACE LIMITED – CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS

YEAR ENDED 31 DECEMBER 2019

	31 December 2019	Restated 31 December 2018
	£000s	£000s
Non-current assets		
Property, plant and equipment	28,782	14,807
Intangible assets	42,062	33,113
Deferred tax assets	4,782	2,905
Investments in joint ventures & associates	3,072	1,772
Other investments	<u>8,600</u>	<u>18,500</u>
Total non-current assets	87,298	71,097
Current assets		
Trade and other receivables	531,031	531,931
Development work in progress	237,403	140,697
Development loan to joint venture	57,917	54,907
Other work in progress	-	1,976
Cash at bank	<u>199,007</u>	<u>215,943</u>
	1,025,358	945,454
Current liabilities		
Trade and other payables	(641,735)	(747,471)
Provisions	(29,188)	(19,658)
Financial liabilities	(1,544)	-
Lease liabilities & borrowings	<u>(136,898)</u>	<u>(18,255)</u>
	(809,365)	(785,384)
Net current assets	215,993	160,070
Total assets less current liabilities	303,291	231,167
Non-current liabilities		
Trade and other payables	(10,831)	(10,831)
Amounts due to parent undertakings	-	-
Lease liabilities and borrowings	<u>(241,784)</u>	<u>(204,444)</u>
Net assets	50,676	15,892
Capital and reserves		
Called up share capital	1,000	1,000
Accumulated reserves	<u>47,871</u>	<u>13,203</u>
Equity shareholders' funds	48,871	14,203
Non-controlling interests	<u>1,805</u>	<u>1,689</u>
	50,676	15,892

MACE LIMITED – CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2019

	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Cash flows from operating activities	(40,384)	11,502
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(13,460)	(10,682)
Dividends from JV & Associates	5,348	-
Acquisition of investments	(594)	(7,500)
Disposal of subsidiary	-	1,920
Proceeds from disposals of fixed asset	-	30
Net cash used in investing activities	(8,706)	(16,232)
Cash flows from financing activities		
Dividends paid to company shareholders	(30,103)	(18,028)
Dividends paid	(120)	(194)
Contribution to parent company employment benefit scheme	(1,250)	-
Increase in borrowings	46,232	40,143
Repayment of borrowings and lease liabilities	(5,839)	(5,000)
Net cash generated in financing activities	8,920	16,921
Net (decrease)/increase in cash	(40,170)	12,191
Cash at bank and bank overdrafts at beginning of year	208,560	195,817
Effects of currency translation on cash at bank and bank overdrafts	(1,693)	552
Cash at bank and bank overdrafts at end of year	166,697	208,560
Cash at bank and bank overdrafts	2019	2018
	£000s	£000s
Cash at bank	199,007	215,943
Bank overdrafts	(32,310)	(7,383)
	166,697	208,560