19 March 2014

Cape plc

("Cape" or the "Group")

Preliminary results for the twelve months to 31 December 2013

Cape plc, the international provider of critical support services to the energy and mineral resources sectors, announces its results for the twelve months ended 31 December 2013.

A year of consolidation, delivering an improved performance in mixed market conditions

Financial summary

Audited	2013	2012
Financial highlights		
Continuing operations:		
Adjusted revenue	**£697.1m**	£746.0m
Adjusted operating profit	**£41.0m**	£27.7m
Adjusted operating profit margin	**5.9%**	3.7%
Adjusted profit before tax	**£35.5m**	£20.7m
Adjusted diluted earnings per share	**23.6p**	12.7p
Dividend for the year (per share)	**14.0p**	14.0p
Adjusted net debt	**£60.2m**	£65.2m
Statutory results		
Revenue	**£697.1m**	£737.0m
Operating profit/(loss)	**£10.2m**	(£133.2m)
Profit/(loss) before tax	**£0.2m**	(£143.2m)
Loss per share	**(5.6p)**	(172.5p)

Throughout this statement, various non-statutory measures are used and referred as Adjusted, these are defined and reconciled to their statutory equivalents in note 8, Adjusted measures. Certain amounts do not correspond to the 2012 financial statements and reflect the adjustments detailed in note 4, Prior period restatements.

Highlights

- Adjusted operating profit up 48% to £41.0m (2012: £27.7m)
- Adjusted diluted earnings per share up 86% to 23.6p (2012: 12.7p)
- Order intake at £625m (2012: £619m); order book at 31 December 2013 10% lower at £648m (31 December 2012: £720m)
- Arzew project completed to revised plan and within the existing provision
- Divestment of non-core operations and Performance Improvement Plan in Australia completed
- Substantial progress on the first phase of strategy to stabilise the operational performance of the business
- £37.7m acquisition of Motherwell Bridge in Q1 2014
- Operating cash flow up 20% to £49.7m (2012: £41.5m) resulting in adjusted net debt of £60.2m (2012: £65.2m)
- Full year dividend 14.0p (2012: 14.0p)
- The Board is confident in the continued improvement in operating performance and the future prospects of the Group

Commenting on the results, Joe Oatley, Chief Executive of Cape said:
"Cape has delivered an improved set of results in 2013 against a backdrop of mixed market conditions. We have made good progress on operational improvement and established a robust control environment across the Group. Whilst we will continue to improve our operational efficiency and controls, we are now well positioned to move into the growth phase of our strategy. The acquisition of Motherwell Bridge, announced on 11 March 2014, represents good early progress on this element of our strategy, extending the range of critical industrial services we offer to our clients. We will continue to pursue both organic and acquisitive growth and I am confident that by combining this growth with our on-going focus on operational excellence, Cape will deliver long-term value creation to our shareholders."

Analyst meeting
The Group will be presenting to a meeting of analysts at 9.30 am today. The presentation will be available on the company's website later today at: www.capeplc.com/investors/financial-results-and-presentations.aspx

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Forward looking statements
Any forward looking statements made in this document represent the Board's best judgement as to what may occur in the future. However, the Group's actual results for the current and future fiscal periods and corporate developments will depend on a number of economic, competitive and other factors, some of which will be outside the control of the Group. Such factors could cause the Group's actual results for future periods to differ materially from those expressed in any forward-looking statements included in this announcement.

About Cape:
Cape plc (www.capeplc.com), which is listed on the Main Market of the London Stock Exchange, provides a range of critical industrial services including access systems, insulation, refractory linings, painting, coating, blasting, industrial cleaning, training and assessment to industrial plant operators and major international engineering and construction companies.

As a single-source provider, Cape is able to provide a range of specialist multi-disciplinary services specifically tailored to meet the needs of the client providing the most intelligent and cost-efficient solutions for our clients' in-plant maintenance and capital needs.

In the year ended 31 December 2013, Cape reported adjusted revenue of £697.1 million. With scale and leading market positions across its international footprint, Cape employs over 18,000 people around the world.

Chairman’s statement

A platform for growth
2013 has been a year of consolidation for Cape. We set out to stabilise the company after the challenges of 2012 and have achieved that goal, delivering a steady performance against a backdrop of mixed market conditions.

The financial turnaround since 2012 represents the foundation of what we believe will be a strong future for Cape. We have made good progress in executing the first phase of our strategy and actions taken during the year have put in place a solid platform to support future growth. Operational excellence has been a key element of this phase and is being embedded in our culture. In 2014 we will increase our focus on the growth phase of our strategy by broadening our portfolio of critical industrial services, cementing our customer relationships and through focused geographical expansion. We have already taken our first steps towards this growth strategy in 2014 with the acquisition of Motherwell Bridge, a market leader in services for the oil and gas tank storage market.

Enhanced management team
2013 marked the first full operating year of the new executive management team which has implemented significant improvements in the operating and control environment across the Group. As a next step in the development of this team, Steve Connolly, previously responsible for our UK, Europe and CIS region, was appointed as Chief Operating Officer effective from January 2014. This appointment will both ensure an efficient implementation of our new operational processes across the Group and allow our Chief Executive to focus on delivering the growth phase of our strategy.

Improved risk management
The previously reported challenges in Algeria and Australia in 2012 have been addressed. Moving forward, we have strengthened our risk assessment processes and sought to embed a more open and transparent culture across the business. As already announced, we identified a challenging project in Qatar in 2013 on which we took an onerous contract provision. Although this was disappointing, it is encouraging that our improved

management and operational controls enabled the issue to be identified early and remedial action to be taken in a timely manner. Nevertheless, this serves to emphasise the importance of our strategy of focusing on operational excellence in order to deliver consistent performance.

Strong safety record
Cape has an uncompromising approach to health and safety and I am pleased to report that our safety record remained at a high standard during the year. The safety of our workforce is our highest priority - our goal is zero harm. Our commitment to safety has once again been recognised by our customers with a number of accolades during the year, including 'Winner of the Safety Award for Contractors' from BAPCO, and for the second year running 'HSE Performer of the Year' from Borouge. We are extremely proud of our safety record, and the dedication of all of our people in sustaining an environment and culture that instils the critical importance of safety in all our employees, whilst delivering a high quality service to our clients. We believe that it is this combination of safety and quality delivery that has enabled Cape to forge a leading position in the market with strong relationships with our blue-chip international client base.

Corporate governance
The Board remains committed to achieving the highest possible standards of corporate governance as we believe compliance with these standards is in the best interest of all our stakeholders. Our commitment to this policy throughout the year has resulted in a further strengthening of our governance and we will continue to review and identify where, if necessary, improvements can be made to ensure we maintain a best in class standard of transparency, disclosure and across all other areas of corporate governance.

Dividend
We are recommending a final dividend for 2013 of 9.5 pence (H2 2012: 9.5 pence) reflecting our confidence in the delivery of our strategy and the encouraging prospects for the Group. With the interim dividend of 4.5 pence (H1 2012: 4.5 pence), this results in a full-year dividend of 14.0 pence (2012: 14.0 pence). This is subject to shareholders' approval at the Annual General Meeting on 14 May 2014 and the final dividend will be payable on 6 June 2014 to shareholders on the register as at 9 May 2014.

Conclusion
The operational challenges faced by Cape have been identified and substantially addressed, putting the business on a stable platform for future growth. We will continue to focus on improving the operational effectiveness of the Group whilst entering the growth phase of our strategy. This will enhance our competitiveness and strengthen our position in our chosen markets. I would like to thank all of Cape's employees for their continued efforts and commitment to the much needed cultural and organisational change achieved during the year.

Chief Executive's review

Overview
We have focused throughout 2013 on implementing the first phase of our strategy to stabilise our business by driving operational excellence across the Group. Although this phase is on-going, we have made significant progress in installing operational rigour and establishing a robust platform for future growth.

We delivered a much improved performance in 2013 with the UK business continuing to deliver strongly, the Arzew project completed in-line with the plan set out early in the year and a successful implementation of the restructuring and performance improvement of our Australian business, offsetting weaker market conditions in CIS. It was disappointing that a strong year for our Middle East and North Africa (MENA) business was negatively affected by the previously announced provision for an onerous contract in Qatar.

Whilst 2013 has been a year of consolidation, the Group has identified a number of long-term growth opportunities and we are now working hard to ensure that we are well positioned to capture those opportunities.

Market conditions 2013
Market conditions were mixed across the Group's three regions as a number of major new capital investment programmes in the oil and gas and mining industries were delayed. As anticipated, this resulted in lower activity levels of construction services in a number of our markets. The volume of construction service contract awards is expected to increase in late 2014 and 2015 as a number of new oil and gas projects reach the stage of development where Cape's services are required. Demand for maintenance services remained steady.

Demand across the UK, Europe and CIS region was variable with the UK market flat and a marked reduction in activity in Kazakhstan as key projects completed early in the year and investment by our clients in new projects was deferred. Activity levels were also subdued in Sakhalin due to the timing of shutdown related maintenance work. We anticipate that activity levels in Kazakhstan and Azerbaijan will increase as we move through 2014, with major project activity increasing into 2015.

Market conditions across the Middle East varied significantly country by country with increasing investment in new downstream oil and gas infrastructure in Saudi Arabia, but lower levels of construction service work in Qatar and UAE. The maintenance market remains robust across the region. Both the construction and maintenance services markets have become more competitive with domestic and overseas competitors targeting market share growth, putting downward pressure on pricing.

The Asian construction services market has been subdued throughout 2013, but is anticipated to grow over the medium to long-term with a number of large oil and gas projects planned in order to meet the growing demand for energy and industrial expansion in the region. We have recently appointed a new Group Business Development Director who will be based in the region and will have a particular focus on securing a significant share of this growth opportunity. The Australian market continued to have weak demand from the mining and oil and gas maintenance sectors throughout the year, but a number of the major LNG new build projects are now moving forward. Whilst the opportunity to secure construction work on a number of these LNG projects such as QCLNG, GLNG and APLNG has been limited as the main contractors chose to self-deliver many of the services Cape provide, over the medium and long-term these facilities represent an opportunity for maintenance support contracts.

2013 operating performance

Order intake during the year was marginally higher than the previous year at £625 million (2012: £619 million), with a significant contribution from the project awards on the Wheatstone LNG project in Australia which in aggregate comprised approximately £190 million of the total Group order intake.

Adjusted revenue from continuing operations was 7% lower than the previous year driven by completion of a number of major projects in the first half such as Kipper Tuna in Australian and the SPT project in Singapore, and weak market conditions in Kazakhstan and Asia Pacific, partly offset by growth in the Middle East and UK offshore markets.

Adjusted operating profit grew by 48% to £41.0 million (2012: £27.7 million) with solid performances from the UK, MENA and Asian businesses offsetting weak performances from our Kazakhstan and Australian businesses. The performance in Kazakhstan was driven by a reduction in the size of the available market due to the completion of the Kashagan Field Development project. The Group's Australian business returned to profitability at the end of the second half as the non-core divestments and Performance Improvement Plan were successfully concluded.

Following a change in leadership on the Arzew project in Algeria and implementation of improved operational processes and controls, I am pleased to report that we completed our work on this contract during 2013 in line with the revised plan and within the existing provision.

The divestment of non-core operations in our Australian business, a process which started in 2012, was essentially completed in 2013. We also carried out a root-and-branch restructuring of our remaining core industrial services business to ensure it has an appropriate cost base for the future. This restructuring reduced overhead cost by over 50% as we streamlined the branch network and optimised the back-office functions. In addition to the overhead reduction, the management team has focused on improving the operating performance of existing contracts, thus improving gross margins. The restructuring programme is now complete and all major milestones have been met, leaving the business on a sound footing for the future.

The MENA regional margin was negatively affected by a loss provision taken against an onerous contract in Qatar. This project had been bid and secured in early 2012 with operations commencing in 2013. Whilst it is disappointing to report this issue, it was encouraging that the new operating environment resulted in the difficulties being identified early in the project lifecycle and the necessary corrective actions being taken swiftly to contain the losses on the project.

The Group achieved strong cash flow through tight management of working capital and capital expenditure, with operating cash flow of £49.7 million (2012: £41.5 million). As a result, year-end adjusted net debt improved to £60.2 million (2012: £65.2 million) after having made an additional early payment into the IDC fund of £6.0 million.

Strategic delivery

Last year we established our new Group strategy which consists of two phases: the first to stabilise the business and establish our platform for growth; and the second to grow and optimise the business. We have made substantial progress on the implementation of the first phase by focusing on operational excellence and our aim is to lead our industry in operational efficiency and performance. This creates value both for our clients by delivering our services safely, on-time, to cost and quality, and for our shareholders by delivering more reliable earnings.

We set out three key goals for our Operational Excellence programme: to attract, retain and develop the best people; to simplify and standardise our business systems and processes; and to ensure that knowledge and best

practice are shared around the Group. We have made good progress on all three of these goals. High quality management is a scarce resource in our industry and our long-term success is dependent upon being able to develop our people so that they can perform to the best of their ability. We are committed to investing in our people and have introduced a broad range of management development programmes across the Group which cover all levels of management from supervisors and new graduates through to the senior executives. The first cohort has started on each of these programmes during the year.

We now have an easy to use, common management system that defines and captures all of the key operational processes for the Cape Group. This system means we have consistent operating policies and processes throughout the Group. We are also implementing a standardised project delivery process and an industry leading site management system that enables us to both manage our work effectively and share key performance information with clients.

We have made early progress on enhancing our relationships with a number of our key clients through initiatives such as "Voice of the Customer" where we engage with key decision makers of our clients in a structured way to ensure we understand their concerns and requirements. We have decided to delay the development of our global key account management system to ensure we fully understand the needs of our major clients, for whom local delivery and relationships can often be more important than global ones. Our long-term ambition remains to be the primary supplier of critical industrial services to our key clients.

Whilst continuing our drive for operational excellence remains a key priority for the Group, we are now progressing into the second phase of our strategy; to deliver growth through a combination of broadening our service portfolio and targeted geographic expansion. Our initial focus has been to ensure that we secure the key opportunities in our existing markets. Whilst a number of our larger opportunities have been subject to delay, we have been successful in winning contracts in our target areas of Australia, Saudi Arabia and Azerbaijan. Looking forward to 2014, we will continue to drive growth through a combination of capturing opportunities in our existing markets such as Australia, CIS and parts of the Middle East, expanding our service offering through the addition of related specialist services and extending our geographical reach in a selected way.

Of equal importance to the process improvements we are making is the cultural change that we are driving across the Group. We have defined our core values that describe the behaviours that we are striving to instil across the Group. Driving cultural change through these values will be a key element to ensuring we can sustain a high level of performance over the long-term.

Acquisition
In line with our strategy to broaden our portfolio of related critical industrial services, on 11 March 2014 we announced the acquisition of Motherwell Bridge, a leading provider of storage tanks, gasholders and heat exchangers to the energy and steel markets. Motherwell Bridge has tremendous expertise, reputation and brand recognition in the oil and gas storage tank market, including a market leading position in the UK and we expect to accelerate Motherwell Bridge's overseas growth through Cape's international footprint. By combining the strengths of Cape and Motherwell Bridge we are uniquely qualified to provide a complete tank maintenance solution to clients in the oil and gas market.

Organisation and people
I am delighted to have appointed Steve Connolly as Chief Operating Officer, effective from 1 January 2014. Steve was previously responsible for the UK, Europe & CIS region and will be focused on both the day to day management of the business and the implementation of our Operational Excellence programme throughout the Group.

Cape has over 18,000 people working across 21 countries and every employee acts as an ambassador for the company wherever they go. We will continue to build on our reputation for being a great employer and we are committed to both providing development for our people and ensuring their wellbeing. I would like to thank all of our employees for the commitment and dedication they have shown to the company over the past year.

Safety
Cape is a people business and we often work in hazardous environments where our employees are exposed to potential dangers to their health and safety. Ensuring the safety of our people is our highest priority and everyone within the Group has responsibility for not only their own safety, but also that of their colleagues. We have put increased energy into improving our safety culture and performance during 2013 and I am pleased to see that improvement demonstrated in a significant fall in our accident and injury rates compared to 2012. Nonetheless, we continue to strive to improve our safety performance towards a goal of zero harm which remains at the heart of everything we do at Cape.

Outlook
2013 was a year of consolidation for Cape where our focus has been on stabilising the business. We made good progress on our objectives for 2013 and enter 2014 with a stable platform for future growth. Improved operational performance drove enhanced margins and we expect that trend to continue in 2014. Order intake was marginally

higher than the prior year but continued to be subdued, in part due to a slowdown in some of our key markets such as CIS and Asia and in part due to the timing of key long-term maintenance contract renewals. As a result, we entered 2014 with an order book of £648 million, 10% lower than at the equivalent point in the previous year (31 December 2012: £720 million). At current rates, foreign exchange effects represent a material headwind to the Group.

We expect market conditions in the UK, Europe and CIS region to be variable with flat demand from the UK and a slight increase in activity towards the end of 2014 within the CIS. We anticipate that the UK business will feel the effect of increasing competition, but, with a continued focus on efficiency improvement and the on-going development of our joint venture activities in Kazakhstan and Azerbaijan, we are targeting to deliver an improvement in operating margin for the region compared to 2013.

Market conditions in the MENA region are expected to remain mixed through 2014 with increased demand in countries such as Saudi Arabia offsetting a reduction in demand in UAE and lower construction market activity in Qatar. We expect competition to continue to exert downward pressure on pricing, but that the Group will be able to mitigate the effect of this through improvements in operating efficiency.

Improved market conditions in the Asia Pacific region, largely driven by increased demand from the LNG projects in Australia, combined with the successful restructuring of our Australian business, are expected to deliver a significant improvement in the performance of this business with both top-line growth and improvement in operating margins.

Beyond 2014 we expect to see improvement in market conditions across the Group with the emergence of the nuclear new build program in the UK, a number of major projects in Asia, growth in new construction activity in the CIS and continued development of the Middle Eastern market.

The long-term demand for the Group's services is expected to continue to grow, driven by increasing investment in both the oil and gas and power industries. Through our strategy of delivering growth through a combination of focused expansion into new geographies and extension of the range of critical industrial services we provide for our clients, we believe Cape can deliver a long-term growth rate above that of our core markets. The Board is confident in the continued improvement of operating performance and in the future prospects of the Group.

Joe Oatley
Chief Executive

Business review

UK, Europe and CIS

(£m)	2013	2012	Growth
Order intake[1]	228	274	(16.8)%
Order book[1]	320	453	(29.6)%
Adjusted revenue	361.1	367.2	(1.7)%
Adjusted operating profit	31.9	40.0	(20.3)%
Adjusted operating profit margin	8.8%	10.9%	(210bps)

[1]Excludes value in respect of joint ventures

Order intake was £228 million, 17% lower than prior year (2012: £274 million), reflecting the timing of major long-term maintenance contract renewals in the UK and low levels of construction activity in Kazakhstan. As a result of the subdued order intake, the order book shortened with key UK maintenance contract renewals expected in late 2014 and early 2015. The business secured key multidisciplinary service contract renewals with Total E&P in the Netherlands and Eggborough Power Station, a key environmental services contract at Sullom Voe as well as a number of scope extensions on existing contracts across both the UK onshore and offshore market segments.

Adjusted revenue for the region, which represented 52% of the Group's 2013 revenue, fell slightly to £361.1 million (2012: £367.2 million) largely driven by lower activity in Kazakhstan, where our work on the Kashagan Field Development Experimental Phase project completed in the period. This was partially offset by the expansion of the region's fabric maintenance and campaign work in the UK Continental Shelf.

The UK business continued to deliver industry-leading levels of service to its clients both onshore and offshore including BP, Total, EDF and SABIC. It maintained its market leading position in the UK onshore market segment winning awards at the EDF Energy Nuclear Generation Challenge for 'Contract Partner Safety', 'Contract Partner Quality' and 'Outstanding Collaboration'. In addition, the UK business won the CIPD 'People Management Award for Innovation', further recognition of Cape's commitment to its people through its development programmes.

Kazakhstan and Azerbaijan represent strong growth opportunities for the Group as these countries continue to invest heavily in the development of their oil and gas resources with combined investment in new oil and gas infrastructure over the medium term anticipated to be in excess of US$150 billion. The Group's joint venture with State Oil Company of the Azerbaijan Republic (SOCAR) secured an important maintenance contract in the period and Cape has made a significant investment in the establishment and development of this business. There is a substantial pipeline of opportunities available in Azerbaijan and we are continuing to work with SOCAR to achieve a satisfactory resolution of the commercial and financing arrangements of the joint venture in order to access those opportunities.

The business continues to be largely maintenance driven with 84% of revenues (2012: 80%) derived from maintenance and shutdown activities. Looking forward, it is expected that the proportion of revenue derived from new construction activity over the longer term will rise, supported by the new build power generation sector in the UK and new oil and gas infrastructure investment in Kazakhstan and Azerbaijan.

The Adjusted operating profit margin decreased from 10.9% to 8.8% driven by both a change in mix, with lower volumes in Kazakhstan and Sakhalin offset by increased volumes in the lower margin UK offshore market sector, and reduction in the margin in the Kazakhstan business as the Kashagan Field Development Experimental Phase project was completed early in the period.

As a result of the lower margins, Adjusted operating profit decreased by 20% to £31.9 million (2012: £40.0 million) with all of this reduction attributable to the CIS.

Middle East and North Africa (MENA)

(£m)	2013	2012[1]	Growth
Order intake	161	135	19.2%
Order book	98	140	(30.0)%
Adjusted revenue	202.8	163.3	24.2%
Adjusted operating profit/(loss)	19.8	-	-
Adjusted operating profit margin	9.8%	-	980bps

[1] Excludes discontinued operation in India

Order intake grew by 19% compared to prior year to £161 million (2012: £135 million). The growth in order intake was largely due to a strong performance from Saudi Arabia with increasing demand for construction services for new oil and gas projects in the country. This strong order intake in Saudi Arabia offset a relatively weak order intake performance in Qatar and UAE where there were few significant new oil and gas construction project awards. The business was successful in securing a significant multidisciplinary services contract on the Rabigh II petrochemical complex being constructed on the west coast of Saudi Arabia and won further important contracts with customers such as SADARA, BAE Systems, GS engineering, Hyundai, Technip, Vale and Occidental.

The MENA region, which represented 29% of the Group's 2013 revenue, achieved record revenue of £202.8 million (2012: £163.3 million), 24% higher than 2012. Revenue in each of Cape's largest countries in the region, Saudi Arabia, UAE, and Qatar, grew compared to the previous year. In the UAE growth was driven by increased activity as works were completed on a number of large projects including the NGL4 plant where the business provided multidisciplinary services on the construction of train 4, and the Borouge III petrochemical plant where we are delivering insulation services for the project to expand production capacity. Growth in Saudi Arabia was particularly strong, driven by a range of new construction projects as the country ramps up investment in downstream oil and gas facilities.

Whilst the proportion of revenue from new construction grew to 67% of total revenue for the region (2012: 63%), largely driven by the high volume of new construction projects in UAE and Saudi Arabia, the business continued to develop its maintenance business, growing maintenance and shutdown volumes by 11% compared to prior year. The business achieved particularly strong performance from maintenance contracts in Qatar with successful completion of shutdown work with Ras Gas, Qatar Gas and Dolphin Energy.

The business successfully achieved the revised plan for the completion of the Arzew GNL3-Z LNG plant in Algeria within the £19.8 million loss provision that had been taken in 2012 with cash receipts from the client within the agreed commercial terms. During the second half of 2013 a project was identified in Qatar that was not performing to expectations. The project had been bid and secured in early 2012, but on-site work did not commence until 2013. The underperformance was identified early in the project life cycle and the necessary corrective actions have been taken swiftly to minimise future losses on this contract.

Adjusted operating profit margin improved substantially compared to prior year to 9.8% (2012: Nil), with substantial effects from the loss provisions taken on the Arzew project in 2012 and on the Qatar project in 2013. Excluding the effects of these two projects, the underlying business delivered a substantial improvement in

performance compared to prior year with both better operating margins and higher volumes. The business continues to experience increasingly competitive market conditions which are exerting downward pressure on pricing. The effect of this pressure is expected to be mitigated by the Group's drive for improved operational efficiency through the Operational Excellence programme.

Asia Pacific

(£m)	2013	2012	Growth
Order intake[1]	236	210	12.4%
Order book[1]	230	127	81.7%
Adjusted revenue	133.2	215.5	(38.2)%
Adjusted operating profit	1.5	1.2	25.0%
Adjusted operating profit margin	1.1%	0.6%	50bps

[1]For continuing businesses

The business achieved strong growth in order intake of £236 million, 12% higher than prior year (2012: £210 million) of which organic growth contributed 25%, partly offset by a 12% reduction from the effect of adverse currency movement. The main contributor to this performance was the securing of the strategically important contracts for the Wheatstone LNG project in Western Australia which contributed approximately £190 million of the total order intake for the region. The Chevron-operated Wheatstone Project is one of Australia's largest resource projects. Located in Western Australia, the project will consist of two LNG trains with a combined capacity of 8.9 million tonnes per annum and a domestic gas plant. This is the Group's largest ever construction contract award on a single site and underscores Cape's considerable LNG construction experience and expertise. The project is expected to mobilise during 2014 and extend over the following three years. The maintenance market in Australia remained subdued with little new contracting activity. The business also secured the main access contract for the LNG modules being fabricated in Thailand for the Ichthys LNG project in Australia.

Revenue from continuing operations decreased 38% to £133.2 million (2012: £215.5 million). The reduction in revenue was driven by a slowdown in the construction services market across the region with the major projects in Singapore and Australia completing in the first half of 2013 and not being replaced by any significant new construction service work. As a result of this, the proportion of revenue derived from new construction activities reduced to 46% of total regional revenue (2012: 70%). Revenue from maintenance activities increased by 12% to £72.5 million (2012: £64.8 million) despite weak market conditions as the business put increased focus on expanding this area.

Following the divestment of non-core operations in our Australian business, a process which started in 2012 and was essentially completed in 2013, we also implemented a performance improvement plan for the remaining core industrial services business. This plan involved a rationalisation of our branch network to key strategic locations, streamlining our overhead structure and offshoring back office functions to the Group's facility in Manila, Philippines. In addition to the overhead reduction, the management team has focused on improving the operating performance of existing contracts whilst targeting key project awards. This restructuring programme is now complete and all major milestones have been met with the business returning to profitability during the final quarter of 2013. The business is now on a sound footing for the future and is expected to generate profit during 2014 as it gains the full year benefit of the restructuring programme and an increase in volume from the Wheatstone LNG project during the second half of the year.

Operational completion of the SPT project was achieved in the first-half of 2013 and we resolved all outstanding commercial issues with the client to close the final account in the second half of the year with all outstanding payments received in the period.

Adjusted operating profit margin improved slightly to 1.1% (2012: 0.6%) as we began to see the effects of the turnaround in our Australian business toward the end of the year. This improved margin offset the volume reduction in the region, resulting in an 25% increase in operating profit for 2013 to £1.5 million (2012: £1.2 million). We anticipate that margins will continue to improve through 2014 as we enjoy the effects of both increased volume and the full-year effect of the improvement in our Australian business.

Chief Financial Officer's review

A summary income statement with explanatory discussion of the key items is provided below:

£m	**2013**	2012
Adjusted revenue	**697.1**	746.0
Adjusted operating profit	**41.0**	27.7
Adjusted operating profit margin (%)	**5.9%**	3.7%

Other Items	**(15.3)**	(10.5)
Exceptional items	**(15.5)**	(150.4)
Operating profit/(loss)	**10.2**	(133.2)

Adjusted revenue

Adjusted revenue from continuing operations decreased overall by 7% to £697.1 million (2012: £746.0 million) driven by lower activity levels in the Asia Pacific, notably Australia, which were partially offset by strong volume growth in the MENA region. The organic volume decrease in revenue of 5% was compounded by the effect of currency translation which reduced the adjusted revenue by a further 1%.

Adjusted revenue was 12% down in the second half compared to the first half of the year driven by a number of major projects completing in the first half, including Kipper Tuna (Australia), Kashagan Field Development (Kazakhstan), Arzew (Algeria) and the SPT project in Singapore.

Revenue split by half and full year and geography

£m	UK, Europe and CIS	MENA	Asia Pacific	Total
2013				
H1	184.8	109.5	76.8	371.1
H2	176.3	93.3	56.4	326.0
FY 2013	361.1	202.8	133.2	697.1
2012				
H1	174.3	76.7	108.7	359.7
H2	192.9	86.6	106.8	386.3
FY 2012	367.2	163.3	215.5	746.0

Adjusted revenue from continuing operations derived from maintenance contracts was £442.1 million (63%) (2012: £418.7 million, 56%) and adjusted revenue from construction support services projects was £255.0 million (37%) (2012: £327.3 million, 44%).

Cape's largest client represented 11% of total Adjusted revenue in 2013 (2012: 11%), relating to activities in the UK and CIS and Asia Pacific regions. The Group's top 10 clients represented 38% of adjusted revenue (2012: 40%).

Adjusted operating profit

Adjusted operating profit from continuing operations increased to £41.0 million (2012: £27.7 million) reflecting the strong growth in MENA, the benefit of the divestments and profit improvement plan in Australia, the comparative benefit of the Arzew provision in the previous year, offset by weaker market conditions in Kazakhstan and the requirement to provide against an operationally problematic legacy contract in Qatar.

We concluded the significant contracts in Singapore and Algeria in the year and have recovered the working capital invested in them according to the respective contractual terms. Head office costs were marginally lower at £12.2 million (2012: £12.4 million) as increased investment in the Operational Excellence programme was offset by savings in other central activities.

Other items

Other items increased to £15.3 million (2012: £10.5 million) relating, in the year, entirely to IDC costs.

Exceptional items

The charge for Exceptional items of £15.5 million (2012: £150.4 million) consists entirely of the performance improvement programme initiated in Australia in the first half of the year, with £7.9 million non-cash relating to the impairment of assets, £2.5 million relating to the future liability associated with onerous leases and the balance to the cash cost of restructuring. This programme has been essentially completed and has generated the anticipated gains in operational performance. There was no new exceptional charge in the second half of the year.

Operating profit

Operating profit for continuing operations was £10.2 million (2012: operating loss of £133.2 million) reflecting an Adjusted operating profit of £41.0 million (2012: £27.7 million), Other items of £15.3 million (2012: £10.5 million), and Exceptional items of £15.5 million (2012: £150.4 million).

Finance costs

Net finance costs amounted to £10.0 million (2012: £10.0 million) reflecting the annual £4.0 million (2012: £4.0 million) non-cash charge relating to the unwinding of the discount on the long-term IDC liability, the £1.2 million non-cash charge relating to the unamortised fees relating to the previous facility, and interest income in the IDC scheme funds in the period of £0.7 million (2012: £1.0 million).

Adjusted finance costs reduced to £6.3 million (2012: £7.6 million) with interest cover (calculated by dividing adjusted operating profit by the adjusted finance costs) increasing to 6.5 times (2012: 3.6 times). This compares to the minimum of 3.0 times required by the covenant in Cape's old unsecured £220 million revolving credit facility as at 31 December 2013 which has been replaced with the recently announced £295 million revolving credit facility.

Taxation

The tax charge on Adjusted profit before tax excluding Exceptional and Other items, discontinued operations and joint ventures was £7.2 million (2012: £3.7 million) representing an average tax rate of 20.3% (2012: 17.9%). The increase compared to the previous year predominately relates to a change in the mix of source of profit generation. The cash tax paid during the period was £9.4 million (2012: £11.9 million) which is slightly higher than the current year charge due to some advance payments made on account.

Discontinued operations

As part of the review of the Australian operations the Group announced in November 2012 its intention to divest its residential and commercial scaffolding business in Melbourne and Perth, and the stand alone blasting and painting workshop in Perth. The two divestments in Perth were completed during 2013; the Melbourne disposal is well advanced and will complete during Q1 2014. In the period the Board also decided to discontinue the Group's activities in India and Japan. The combined revenue of these operations totalled £8.6 million (2012: £24.8 million) with losses after tax of £4.8 million (2012: £42.6 million) including a tax credit of £0.8 million (2012: £9.2 million).

Earnings per share

For continuing operations the Adjusted diluted earnings per share (EPS) was 23.6 pence (2012: 12.7 pence) and Adjusted basic earnings per share was 23.8 pence (2012: 12.9 pence). The diluted weighted average number of share increased to 122.0 million (2012: 120.9 million).

Dividend

Taking account of the 2013 financial results, current market conditions and the underlying prospects of the Group, the Board is proposing a final dividend for 2013 of 9.5 pence (2012: 9.5 pence) per share [in line with] the 2012 final dividend. In addition to the interim dividend of 4.5 pence per share (2012: 4.5 pence) paid on11 October 2013, the total dividend for the year will be 14.0 pence per share (2012: 14.0 pence) subject to shareholders' approval at the annual general meeting on 14 May 2014 the final dividend will be payable on 6 June 2014 to shareholders on the register as at 9 May 2014.

Acquisition of Motherwell Bridge

Cape announced its acquisition of UK based Motherwell Bridge, a leading provider of storage tanks, gasholders and heat exchangers to the energy and steel markets, on 11 March 2014. The total consideration for the acquisition amounted to £37.7 million on a cash free, debt free basis, comprising of an initial cash consideration of £34.0 million, acquired debt of £0.9 million, deferred consideration of £1.3 million contingent on a key contract win and up to £1.5 million related to future performance. The acquisition will be funded from the Group's existing debt facilities and is expected to be earnings enhancing in the current financial year ending 31 December 2014.

Motherwell Bridge, headquartered in Lanarkshire, Scotland, is recognised internationally as a leader in the specialist storage tank market. The business has an excellent global brand reputation and has historically delivered a significant number of storage tanks around the world. In addition, Motherwell Bridge also provides and maintains gasholders for the global steel industry, and maintains and refurbishes heat exchangers primarily in the UK continental shelf. Motherwell Bridge has a strong management team, all of whom will remain with the business post acquisition.

Motherwell Bridge employs approximately 300 people, primarily located in the UK. For the year ending 31 December 2012, Motherwell Bridge generated EBITA of £4.8 million on revenue of £34.6 million.

Operating and free cash flow

	2013 (£m)	**2012 (£m)**
Adjusted operating profit	41.0	27.7

Depreciation and amortisation - continuing operations	17.8	15.0
Adjusted EBITDA	**58.8**	**42.7**
Provisions and non-cash items	(3.4)	(3.6)
Decrease/(increase) in working capital*	9.8	11.9
Net capital expenditure	(15.5)	(9.5)
Operating cash flow	**49.7**	**41.5**
Operating cash flow to operating profit	121%	150%
Net interest	(6.1)	(7.9)
Tax	(9.4)	(11.9)
Free cash flow	**34.2**	**21.7**
Dividends paid	(17.7)	(18.9)
Acquisition**	-	(5.3)
Transfer to restricted cash	(6.0)	-
Discontinued operations	(5.6)	(3.9)
Other movements in adjusted net debt	0.1	0.4
Movement in adjusted net debt	**5.0**	**(6.0)**
Opening adjusted net debt	(65.2)	(59.2)
Closing adjusted net debt	(60.2)	(65.2)

* At average rates
** 2012 includes £4.3m relating to current year acquisitions and £1.0m deferred consideration on prior year acquisitions.

Working capital
Trade and other receivables and inventories decreased by £56.1 million to £182.8 million (2012: £238.9 million) which along with a decrease in trade and other payables of £42.0 million to £109.1 million (2012: £151.1 million) resulted in an overall decrease in net working capital of £14.1 million (at balance sheet rates) to £73.7 million. Working capital, as expected, reduced by £42.4 million in the second half of 2013. A very strong year end performance in the UK, the realisation of working capital from Arzew and the SPT contract and decreased volumes in Australia all contributed to the overall Group performance.

Capital expenditure
The Group continues to manage its capital expenditure carefully whilst investing in upgrading and replacing equipment where appropriate. The Asset Replacement Ratio (calculated by dividing gross capex spend by the depreciation charge) increased to 100% (2012: 65%).

Financing and banking facilities
The Group's adjusted net debt decreased year on year by £5.0 million to £60.2 million (2012: £65.2 million) including finance lease obligations of £0.2 million (2012: £0.5 million). Balance sheet gearing, excluding ring-fenced IDC scheme funds, increased marginally to 45.2% (2012: 38.3%).

The ratio of adjusted net debt to adjusted EBITDA decreased to 1.0 times (2012: 1.5 times). A reconciliation of Adjusted net debt and Adjusted EBITDA can be found in Note 8, Adjusted measures.

On 12 February 2014 the Group agreed a refinancing of its banking facilities. The new facility of £295 million has been arranged with eight banks, broadening the Group's lender base and developing potential for growth in the future, and in anticipation of that, the facility incorporates a £50 million accordion feature. The new facility expires in April 2018.

Provision for pension
The defined benefit pension schemes had a net surplus of £15.8 million as at 31 December 2013 (2012: £15.3 million) that continues to be restricted to nil in the accounts under IFRIC 14. The Trustees are currently overseeing the completion of the triennial valuations for both UK schemes.

IDC
The triennial actuarial valuation of the provision relating to historical asbestos liabilities was completed as at 31 December 2013, the results of which have been included in the financial results for the year. The valuation

benefited from both a statistically larger claim population on which to base the actuarial projection and also improvements in the analytical process.

The overall pattern of claims experienced in the three years since the time of the last full valuation has not changed significantly from the expectations established at that time. The actuarial range of reasonable estimates has been assessed by the independent actuaries as being between £89 million and £123 million. The valuation incorporates the Board's latest judgements on technical and economic assumptions as well as the impact of changes in case law and certain management actions to reduce legal costs associated with claims.

The discounted provision increased to £94.3 million (2012: £79.9 million) reflecting an unwinding of the discount of £4.0 million in the year (2012: £4.0 million), £3.8 million cash settlements during the year (2012: £4.4 million) and a charge in the period of £14.2 million (2012: £nil) reflecting the changes noted above. The level of cash settlements remains broadly in line with historic cash payments. The ring-fenced IDC scheme funds increased to £31.3 million (2012: £27.4 million) benefitting from a cash injection of £6.0 million from the Group's funds, interest received of £1.0 million (2012: £1.1 million), offset by the cash settlements on scheme claims in the year of £3.1 million (2012: £3.8 million).

Currencies

Nearly all operating costs are matched with corresponding revenues of the same currency and as such there is very little transactional currency risk in the Group. Currency translation had a small positive impact on the results for the year, principally due to weakening of the Australian dollar which was partly offset by the strengthening of the US dollar across the year.

In 2013, 35.1% (2012: 23.4%) of Adjusted revenues were contracted in US dollars or US pegged currencies and 11.6% (2012: 18.7%) in Australian dollars.

The following significant exchange rates applied during this year:

	2013		2012	
	Closing	**Average**	Closing	Average
AUD	**1.85**	**1.63**	1.57	1.53
USD	**1.66**	**1.57**	1.63	1.59

Treasury policies

Cape has a centralised Treasury function whose objectives are to monitor and manage the financial risks of the Group and to ensure that sufficient liquidity is available to meet the requirements of the business. Group Treasury is not a profit centre and operates within a framework of policies and procedures. All hedging is carried out centrally and speculative trading is specifically prohibited by Group Treasury policy.

Principal risks

Cape operates globally in the energy and natural resources sectors and in varied geographic markets. Cape's performance and prospects may be affected by risks and uncertainties in relation to the industry and the environments in which it undertakes its operations around the world. Those risks range from external geopolitical, economic and market risks to operational risks including HSE, contracting, project execution and generic financial risks.

The Group is alert to the challenges of managing risk and has systems and procedures in place across the Group to identify, assess and mitigate major business risks. The Directors have reviewed the principal risks and uncertainties and are satisfied that they are relevant. The Group continues to improve its process of project risk identification and mitigation from tender through to project completion. A full review of the Group's principal risks and uncertainties will be available in the 2013 Annual Report.

Michael Speakman
Chief Financial Officer

Condensed Consolidated Income Statement
for the year ended 31 December 2013

			2013		2012		
					Restated*	Restated*	Restated*
	Note	**Business performance £m**	**Exceptional and other items £m**	**Total £m**	Business performance £m	Exceptional and other items £m	Total £m

	Note						
Revenue from continuing operations	4	**697.1**	–	**697.1**	746.0	(9.0)	737.0
Operating profit before other items		**40.5**	–	**40.5**	27.6	–	27.6
Other items	9a	–	**(15.3)**	**(15.3)**	–	(10.5)	(10.5)
Operating profit/(loss) before exceptional items	5	**40.5**	**(15.3)**	**25.2**	27.6	(10.5)	17.1
Share of post-tax result of joint ventures		**0.5**	–	**0.5**	0.1	–	0.1
Exceptional items	9b	–	**(15.5)**	**(15.5)**	–	(150.4)	(150.4)
Operating profit/(loss)	5	**41.0**	**(30.8)**	**10.2**	27.7	(160.9)	(133.2)
Finance income	11	**0.8**	**0.7**	**1.5**	0.6	1.0	1.6
Finance costs	11	**(6.3)**	**(5.2)**	**(11.5)**	(7.6)	(4.0)	(11.6)
Net finance costs		**(5.5)**	**(4.5)**	**(10.0)**	(7.0)	(3.0)	(10.0)
Profit/(loss) before tax		**35.5**	**(35.3)**	**0.2**	20.7	(163.9)	(143.2)
Income tax	12	**(7.2)**	**4.5**	**(2.7)**	(3.7)	(15.5)	(19.2)
Profit/(loss) from continuing operations		**28.3**	**(30.8)**	**(2.5)**	17.0	(179.4)	(162.4)
Loss from discontinued operations	10	**(4.8)**	–	**(4.8)**	(3.4)	(39.2)	(42.6)
Profit/(loss) for the year		**23.5**	**(30.8)**	**(7.3)**	13.6	(218.6)	(205.0)
Attributable to:							
Owners of Cape plc				**(6.8)**			(206.6)
Non-controlling interests				**(0.5)**			1.6
				(7.3)			(205.0)

Earnings per share attributable to the owners of Cape plc

	Pence	**Pence**	Pence	Pence
Basic				
Continuing operations	**23.8**	**(1.6)**	12.9	(136.9)
Discontinued operations	**(3.9)**	**(4.0)**	(2.9)	(35.6)
Total operations	**19.9**	**(5.6)**	10.0	(172.5)
Diluted				
Continuing operations	**23.6**	**(1.6)**	12.7	(136.9)
Discontinued operations	**(3.9)**	**(4.0)**	(2.8)	(35.6)
Total operations	**19.7**	**(5.6)**	9.9	(172.5)

*Certain amounts shown here do not correspond to the 2012 financial statements and reflect the adjustments detailed in note 4.

Condensed Consolidated Statement of Comprehensive Income
for the year ended 31 December 2013

	2013	2012

		Restated*
	£m	£m
Loss for the year	**(7.3)**	(205.0)
Other comprehensive (expense)/income:		
Other comprehensive (expense)/income to be reclassified to profit or loss in subsequent periods:		
Currency translation differences	**(11.1)**	(7.8)
Tax effect	**-**	-
	(11.1)	(7.8)
Cash flow hedges – fair value gains	**0.1**	0.8
Tax effect	**(0.6)**	(0.8)
	(0.5)	-
Net other comprehensive (expense)/income to be reclassified to profit or loss in subsequent periods	**(11.6)**	(7.8)
Other comprehensive (expense)/income not to be reclassified to profit or loss in subsequent periods:		
Re-measurement of defined benefit pension plan	**(0.5)**	(1.2)
Tax effect	**-**	-
	(0.5)	(1.2)
Movement in restriction of retirement benefit asset in accordance with IFRIC 14	**(0.5)**	0.6
Tax effect	**-**	-
	(0.5)	(0.6)
Tax effect on share options	**(0.2)**	(1.9)
Net other comprehensive (expense)/income not to be reclassified to profit or loss in subsequent periods	**(1.2)**	(2.5)
Other comprehensive expense for the year	**(12.8)**	(10.3)
Total comprehensive expense for the year	**(20.1)**	(215.3)
Attributable to:		
Owners of Cape plc	**(19.7)**	(216.9)
Non-controlling interests	**(0.4)**	1.6
	(20.1)	(215.3)

*Certain amounts shown here do not correspond to the 2012 financial statements and reflect the adjustments detailed in note 4.

Condensed Consolidated Statement of Financial Position
at 31 December 2013

		2013	2012	As at 1 January 2012
			Restated*	Restated*
	Note	**£m**	£m	£m
Assets				
Non-current assets				
Intangible assets	15	**113.9**	117.2	246.7
Investment property		**2.0**	2.0	2.0
Property, plant and equipment	16	**81.3**	91.3	158.8
Investments accounted for using the equity method		**0.7**	0.2	0.1
Deferred tax assets		**24.2**	21.5	44.3
Total non-current assets		**222.1**	232.2	451.9
Current assets				
Inventories		**12.7**	20.2	9.9
Trade and other receivables		**170.1**	218.7	234.6
Cash and cash equivalents (including restricted funds)		**104.9**	100.2	99.7
Assets of disposal group classified as held for sale		**3.7**	11.4	-
Total current assets		**291.4**	350.5	344.2
Total assets		**513.5**	582.7	796.1
Equity				
Share capital	18	**30.3**	30.3	29.7
Share premium account		**1.0**	0.9	0.5
Special reserve		**1.0**	1.0	1.0
Other reserves		**9.3**	10.0	11.9
Translation reserve		**96.6**	107.8	115.6
Retained earnings		**(7.6)**	16.5	241.6

	Note			
Equity attributable to equity holders of the parent		**130.6**	166.5	400.3
Non-controlling interests		**2.6**	3.8	4.3
Total equity		**133.2**	170.3	404.6
Liabilities				
Non-current liabilities				
Borrowings		**133.5**	135.7	126.2
Retirement benefit obligations		**9.5**	8.2	7.8
Deferred tax liabilities		**4.7**	6.5	19.7
IDC provision		**88.3**	75.9	83.2
Other provisions		**0.7**	4.5	10.0
Total non-current liabilities		**236.7**	230.8	246.9
Current liabilities				
Borrowings		**0.3**	0.3	2.6
Derivative financial instruments		**0.6**	1.1	2.2
Trade and other payables		**109.1**	151.1	122.5
Current income tax liabilities		**7.1**	8.3	17.3
IDC provision	17	**6.0**	4.0	-
Other provisions	17	**20.5**	16.8	-
Total current liabilities		**143.6**	181.6	144.6
Total liabilities		**380.3**	412.4	391.5
Total equity and liabilities		**513.5**	582.7	796.1

*Certain amounts shown here do not correspond to the 2012 financial statements and reflect the adjustments detailed in note 4.

Condensed Consolidated Statement of Changes in Equity
for the year ended 31 December 2013

	Share capital £m	Share premium account £m	Special reserve £m	Other reserves £m	Translation reserve £m	Retained earnings £m	**Total attributable to parent £m**	Non-controlling interests £m	**Total equity £m**
At 1 January 2013	**30.3**	**0.9**	**1.0**	**10.0**	**107.8**	**16.5**	**166.5**	**3.8**	**170.3**
Loss for the year	-	-	-	-	-	(6.8)	**(6.8)**	(0.5)	**(7.3)**
Other comprehensive (expense)/income:									
Currency translation differences	-	-	-	-	(11.2)	-	**(11.2)**	0.1	**(11.1)**
Cash flow hedges – fair value gains	-	-	-	0.1	-	-	**0.1**	-	**0.1**
Deferred tax on hedges/options	-	-	-	(0.8)	-	-	**(0.8)**	-	**(0.8)**
Re-measurement of defined benefit pension plan	-	-	-	-	-	(0.5)	**(0.5)**	-	**(0.5)**
Movement in restriction of retirement benefit asset in accordance with IFRIC 14	-	-	-	-	-	(0.5)	**(0.5)**	-	**(0.5)**
Total comprehensive income/(expense) for the year	**-**	**-**	**-**	**(0.7)**	**(11.2)**	**(7.8)**	**(19.7)**	**(0.4)**	**(20.1)**
Transactions with owners									
Dividends	-	-	-	-	-	(16.9)	**(16.9)**	(0.8)	**(17.7)**
Share options:									
	-		-	-	-			-	**0.6**
- value of employee services	-	-	-	-	-	0.6	**0.6**	-	**0.6**
- proceeds of shares issued	-	0.1	-	-	-	-	**0.1**	-	**0.1**
	-	0.1	-	-	-	(16.3)	**(16.2)**	(0.8)	**(17.0)**
At 31 December 2013	**30.3**	**1.0**	**1.0**	**9.3**	**96.6**	**(7.6)**	**130.6**	**2.6**	**133.2**

for the year ended 31 December 2012 Restated*

	Share capital £m	Share premium account £m	Special reserve £m	Other reserves £m	Translation reserve £m	Retained earnings £m	**Total attributable to parent £m**	Non-controlling interests £m	**Total equity £m**
At 1 January 2012 (restated*)	**29.7**	**0.5**	**1.0**	**11.9**	**115.6**	**241.6**	**400.3**	**4.3**	**404.6**
(Loss)/profit for the year	-	-	-	-	-	(206.6)	**(206.6)**	1.6	**(205.0)**
Other comprehensive (expense)/income:									
Currency translation differences	-	-	-		(7.8)	-	**(7.8)**	-	**(7.8)**
Cash flow hedges – fair value gains	-	-	-	0.8	-	-	**0.8**	-	**0.8**
Deferred tax on hedges/options	-	-	-	(2.7)	-	-	**(2.7)**	-	**(2.7)**
Re-measurement of defined benefit pension plan	-	-	-	-	-	(1.2)	**(1.2)**	-	**(1.2)**
Movement in restriction of retirement benefit asset in accordance with IFRIC 14	-	-	-	-	-	0.6	**0.6**	-	**0.6**
Total comprehensive (expense)/income for the year	**-**	-	-	(1.9)	(7.8)	(207.2)	**(216.9)**	1.6	**(215.3)**
Transactions with owners									
Dividends	-		-	-	-	(16.8)	**(16.8)**	(2.1)	**(18.9)**
Share options									
– proceeds/(costs) of shares issued	0.6	0.4	-	-	-	(0.7)	**0.3**	-	**0.3**
– value of employee services	-	-	-	-	-	(0.4)	**(0.4)**	-	**(0.4)**
	0.6	0.4	-	-	-	(17.9)	**(16.9)**	(2.1)	**(19.0)**
At 31 December 2012	**30.3**	**0.9**	**1.0**	**10.0**	**107.8**	**16.5**	**166.5**	**3.8**	**170.3**

*Certain amounts shown here do not correspond to the 2012 financial statements and reflect the adjustments detailed in note 4.

Condensed Consolidated Cash Flow Statement
for the year ended 31 December 2013

	Note	**2013**	2012
			Restated*
	Note	**£m**	£m
Operating activities			
Cash generated from operating activities – continuing operations	19	**57.0**	52.7
Interest received		**0.3**	0.2
Interest paid		**(6.3)**	(8.2)
Tax paid		**(9.4)**	(11.9)
Net cash flows from operating activities – continuing operations		**41.6**	32.8
Net cash flows from operating activities – discontinued operations		**(5.6)**	(3.8)
Net cash flows from operating activities		**36.0**	29.0
Investing activities			
Continuing operations			
Proceeds from sales of property, plant and equipment		**2.2**	1.3
Purchases of property, plant and equipment		**(17.7)**	(10.8)
Transfer of restricted funds		**(6.0)**	

Acquisition of subsidiaries net of cash acquired	–	(5.3)
Net cash used in investing activities – continuing operations	**(21.5)**	(14.8)
Discontinued operations		
Proceeds from sales of assets held for disposal	**6.9**	–
Net cash realised from investing activities – discontinued operations	**6.9**	–
Financing activities		
Continuing operations		
Net proceeds from the issue of ordinary share capital	**0.1**	0.4
Movement on revolving facility	**(2.0)**	12.6
Drawing on borrowings	**2.3**	-
Finance lease principal payments	**(0.3)**	(3.4)
Dividends paid to shareholders	**(16.9)**	(16.8)
Dividends paid to non-controlling interests	**(0.8)**	(2.1)
Net cash flows used in financing activities – continuing operations	**(17.6)**	(9.3)
Net cash flows used in financing activities – discontinued operations	**-**	–
Net foreign exchange difference	**(3.0)**	(1.7)
Net increase in cash and cash equivalents	**0.8**	3.2
Cash and cash equivalents at 1 January	**72.8**	69.6
Cash and cash equivalents at 31 December	**73.6**	72.8

*Certain amounts shown here do not correspond to the 2012 financial statements and reflect the adjustments detailed in note 4.

Notes to the Condensed Consolidated Financial Statements

1. General information

The Group has prepared its condensed consolidated financial statements for the year to 31 December 2013 in accordance with the Companies (Jersey) Law 1991 and International Financial Reporting Standards ("IFRS") as adopted by the European Union. These statements do not constitute accounts prepared for the purposes of Article 105 of the Companies (Jersey) Law 1991.

The comparative financial information is based on the statutory accounts to 31 December 2012 which have been delivered to the Jersey Financial Services Commission. The report of the auditors on those accounts was unqualified.

The preliminary announcement for the year ending 31 December 2013 was approved by the Board of Directors on 18 March 2014.

Copies of this preliminary report will be available from the offices of Cape plc, 47 Esplanade, St Helier, Jersey, JE1 0BD and on the Group's website at www.capeplc.com. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

2. Basis of preparation

The unaudited Condensed Consolidated Financial Statements for the twelve months ended 31 December 2013 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority.

2.1 Changes to segmental reporting in 2013

For management and reporting purposes, the Group is organised into regions, which are representative of its principal activities. In order to reflect recent organisational and management changes, with effect from 1 January 2013, the Group reports the following three regional segments in a manner consistent with the revised internal reporting provided to the Chief Operating Decision Maker ('CODM').

- **UK, Europe & CIS region** which encompasses the existing 'UK' business, and 'Europe and the CIS' where Europe (formerly called Mediterranean) and CIS were formerly part of the 'CIS, Mediterranean & North Africa' region.
- **Middle East and North Africa (MENA) region** which encompasses the former 'Gulf/Middle East' region and 'North Africa', which was formerly part of the 'CIS, Mediterranean & North Africa' region.
- **Far East/Pacific Rim region** remains unchanged. This encompasses the onshore and offshore businesses in Asia and Australia.

2.2 Discontinued operations
The Group classifies an asset or disposal group as a discontinued operation when it has been either disposed of or classified as held for sale; or it represents a single major line of business or geographical area of operation or is part of a coordinated plan for disposal.

In the period an asset or disposal group has been disposed of, or is classified as held for sale, the results of the operation are reported as discontinued operations in the current and prior periods.

2.3 Other adjustments
The Group identified a number of prior period adjustments during the year resulting in a restatement of the comparative period in the 2013 financial statements.

The impact of the prior year adjustments on the 2012 results, which have been categorised as: discontinued operations, deferred tax provisions, employee benefits, reclassifications and other, is shown in note 4.

The effect of the restatement on the loss per share was to increase it by 4.9 pence in 2012.

2.4 Accounting policies
The accounting policies and methods of computation adopted in the preparation of the Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Group's annual audited Consolidated Financial Statements, which are available on the Group's website at www.capeplc.com.

2.5 Going concern basis
After making enquiries, the Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its Condensed Consolidated Financial Statements.

3. New and amended standards adopted by the Group

Adoption of new and current standards
During the period the Group adopted a number of interpretations and amendments to Accounting Standards including IAS 19 "Employee Benefits" (Revised), none of which had a material impact on the Condensed Consolidated Financial Statements of the Group. The Group has not early adopted any other standard interpretation or amendment that has been issued but is not yet effective.

IFRS 13 Fair Value Measurement
The Group is aware of the requirements under IFRS 13 'Fair Value Measurement' which aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. There is no material difference between the fair value and carrying amounts of the Group's financial assets and liabilities because the amount of financial assets and liabilities carried at fair value is immaterial and as such not deemed it necessary to disclose this separately. The Group's position with regard to fair value is visible on the face of the Condensed Consolidated Statement of Comprehensive Income.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1
The amendments to IAS 1 introduce a grouping of items presented in Other Comprehensive Income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

IAS 19 *Employee Benefits* (Revised 2011) (IAS 19R)
With effect from 1 January 2013 the Group has implemented the amendments to the accounting standard IAS 19 "Employee Benefits" in relation to its UK defined benefit pension plans. The impact on the Group has been to calculate the expected return on plan assets using the same interest rate that is used to discount the plan liabilities.

The Group's reported results and financial position have been restated as a result of the adoption of the revised standard IAS 19 (2011). Previously the Group reported net interest from its pension plans in operating profit. Following the implementation of the revised standard, net interest from pension plans is reported in finance income. Prior periods have been restated accordingly.

The impact on the Condensed Consolidated Income Statement was as follows. For the financial year ended 31 December 2012, the impact of the revised standard was to increase finance income by £0.1m. In addition, operating profit decreased by £0.4m with a corresponding increase of £0.5m in finance income. In the

Condensed Consolidated Statement of Changes in Equity the actuarial loss recognised on the pension plans increased by £0.1 million. The implementation of IAS 19 has had no effect on the prior year Condensed Consolidated Balance Sheets or Condensed Consolidated Cash Flow Statements.

There are no IFRSs or IFRIC interpretations that are effective for the first time for the current financial year that have had a material impact on the Financial Statements of the Group for the year ended 31 December 2012.

4. Prior period restatements
The Group identified a number of prior period adjustments during the year resulting in a restatement of the comparative period in the 2013 financial statements. The prior year restatements are in the following categories:

Discontinued operations
During the year the Directors decided to discontinue activities in India and Japan. The results from these operations have been classified within discontinued operations in the consolidated income statement both in the current year and, by way of prior period restatement, in the prior year.

Employee benefits
The Group applied IAS 19 (Revised) retrospectively in the current period in accordance with the transitional provisions set out in the revised standard. The interest cost and expected return on defined benefit pension plan assets used in the previous version of IAS19 are replaced with net interest amount under IAS 10 (Revised), with restatement of prior period information.

Additionally, liabilities have been established in the statement of financial position with charges made to prior period results to reflect contractual and legal obligations owing to employees in the Asia Pacific region.

Reclassifications
Reclassifications between financial statement line items reported in the prior year have been made to reflect correct presentation. The most significant items are in respect of the presentation of the provision for industrial disease claims, including an offset of associated insurance receivables and recognition of the current portion of the liability as well as separate disclosure of work in progress within inventories.

De-recognition of tax losses
Tax assets largely representing UK losses arising from non-trading activities have been derecognised on the basis that they have no economic benefit to the Group as it is unlikely that they can be offset against trading profits. As there would have been no future economic benefit associated with the losses in previous years, a prior year adjustment has been made.

Other items
Other items include recognition of liabilities on legal dispute and trading expenses that were not recognised at the time of the prior period statement of financial position as well as a change in the profit and carrying values attributable to non-controlled interests

The impact of the prior period adjustments on the previously reported 2012 results, showing the financial statements line items affected, is included in note 40. The effect of the restatement was to increase the basic loss per share attributable to Cape shareholders by 4.9 pence in 2012.

	As reported 2012 £m	Discontinued operations £m	Tax losses £m	Reclassifications £m	Employee benefits £m	Other £m	Restated 2012 £m
Consolidated income statement							
Revenue	740.4	(3.7)	-	-	-	0.3	737.0
Operating profit before other items	31.7	1.0	-	-	(1.7)	(3.4)	27.6
Other items	(10.5)	-	-	-	-	-	(10.5)
Operating profit before Exceptional items	21.2	1.0	-	-	(1.7)	(3.4)	17.1
Share of post-tax losses from joint operations	(0.2)	-	-	-	-	0.3	0.1
Exceptional items	(150.4)	-	-	-	-	-	(150.4)
Operating loss	(129.4)	1.0	-	-	(1.7)	(3.1)	(133.2)
Finance income	1.2		-	-	0.4	-	1.6
Finance costs	(11.9)	0.1	-	-	-	0.2	(11.6)

Net finance costs	(10.7)	0.1	-	-	0.4	0.2	(10.0)
Loss before tax	(140.1)	1.1	-	-	(1.3)	(2.9)	(143.2)
Income tax expense	(16.9)	(0.4)	(2.3)	-	-	0.4	(19.2)
Loss from continuing operations	(157.0)	0.7	(2.3)	-	(1.3)	(2.5)	(162.4)
Loss from discontinued operations	(42.0)	(0.6)	-	-	-	-	(42.6)
Loss for the year	(199.0)	0.1	(2.3)	-	(1.3)	(2.5)	(205.0)
Attributable to:							
Owners of Cape plc	(200.8)	0.1	(2.3)	-	(1.3)	(2.3)	(206.6)
Non-controlling interests	1.8	-	-	-	-	(0.2)	1.6
	(199.0)	0.1	(2.3)	-	(1.3)	(2.5)	(205.0)
Earnings per share	Pence	Pence	Pence	Pence	Pence	Pence	Pence
Basic							
Continuing operations	(132.6)	0.6	(1.9)	-	(1.1)	(1.9)	(136.9)
Discontinued operations	(35.1)	(0.5)	-	-	-	-	(35.6)
Basic (loss)/earnings per share	(167.7)	0.1	(1.9)	-	(1.1)	(1.9)	(172.5)
Diluted							
Continuing operations	(132.6)	0.6	(1.9)	-	(1.1)	(1.9)	(136.9)
Discontinued operations	(35.1)	(0.5)	-	-	-	-	(35.6)
Basic (loss)/earnings per share	(167.7)	0.1	(1.9)	-	(1.1)	(1.9)	(172.5)
Adjusted Earnings per share							
Basic							
Continuing operations	16.4	0.6	(1.1)	-	(1.1)	(1.9)	12.9
Discontinued operations	(2.3)	(0.5)	(0.1)	-	-	-	(2.9)
Basic (loss)/earnings per share	14.1	0.1	(1.2)	-	(1.1)	(1.9)	10.0
Diluted							
Continuing operations	16.3	0.5	(1.1)	-	(1.1)	(1.9)	12.7
Discontinued operations	(2.3)	(0.4)	(0.1)	-	-	-	(2.8)
Basic (loss)/earnings per share	14.0	0.1	(1.2)	-	(1.1)	(1.9)	9.9

Consolidated statement of financial position							
Non-current assets							
Intangible assets	117.2	-	-	-	-	-	117.2
Investment property	2.0	-	-	-	-	-	2.0
Property, plant and equipment	91.8	-	-	-	-	(0.5)	91.3
Investments accounted for using							

the equity method	0.2	-	-	-	-	-	0.2
Deferred tax asset	20.6	-	-	-	-	0.9	21.5
Total non-current assets	231.8	-	-	-	-	0.4	232.2
Current assets							
Inventories	14.1	-	-	6.1	-	-	20.2
Trade and other receivables	225.5	-	-	(6.8)	-	-	218.7
Cash – Industrial Disease Claims restricted funds	27.4	-	-	-	-	-	27.4
Cash and cash equivalents	72.8	-	-	-	-	-	72.8
Assets of disposal group classified as held for sale	11.4	-	-	-	-	-	11.4
Total current assets	351.2	-	-	(0.7)	-	-	350.5
Total assets	583.0	-	-	(0.7)	-	0.4	582.7
Equity and liabilities							
Share capital	30.3	-	-	-	-	-	30.3
Share premium account	0.9	-	-	-	-	-	0.9
Special reserve	1.0	-	-	-	-	-	1.0
Other reserves	9.3	-	-	0.8	-	(0.1)	10.0
Translation reserve	107.8	-	-	-	-	-	107.8
Retained earnings	25.2	-	(2.3)	(0.8)	(1.3)	(4.3)	16.5
Total equity attributable to owners of Cape plc	174.5	-	(2.3)	-	(1.3)	(4.4)	166.5
Non-controlling interests	3.5	-	-	-	-	0.3	3.8
Total equity	178.0	-	(2.3)	-	(1.3)	(4.1)	170.3
Non-current liabilities							
Borrowings	137.7	-	-	(2.0)	-	-	135.7
Retirement benefit obligations	8.2	-	-	-	-	-	8.2
Deferred tax	6.4	-	0.2	-	-	(0.1)	6.5
Industrial Disease Claims provision	82.8	-	-	(6.9)	-	-	75.9
Other provisions	2.5	-	-	-	-	2.0	4.5
Total non-current liabilities	237.6	-	0.2	(8.9)	-	1.9	230.8
Current liabilities							
Borrowings	0.3	-	-	-	-	-	0.3
Derivative financial instruments	1.1	-	-	-	-	-	1.1
Trade and other payables	143.0	-	-	4.7	1.3	2.1	151.1
Current tax liabilities	5.7	-	2.1	-	-	0.5	8.3
Industrial Disease Claims provision	-	-	-	4.0	-	-	4.0
Other provisions	17.3	-	-	(0.5)	-	-	16.8
Total current liabilities	167.4	-	2.1	8.2	1.3	2.6	181.6
Total liabilities	405.0	-	2.3	(0.7)	1.3	4.5	412.4
Total equity and liabilities	583.0	-	-	(0.7)	-	0.4	582.7

5. Cape specific accounting measures

To be able to provide readers with clear, meaningful and consistent presentation of financial performance, the Group reflects its underlying financial results in the 'business performance' column within the consolidated income statement. Business performance excludes 'Other Items' and 'Exceptional Items', which are considered

non-operational in their nature and which are reported separately in a different column within the consolidated income statement.

a) Other items

Other items are those items which the directors believe are relevant to the understanding of the results for the year and which are excluded from the adjusted measures. Included in Other items are costs associated with industrial disease claims and in 2012 contract claims, where revenue had previously been accrued without the agreement of the customer. Customer claims are now only recognised when the claim is accepted by the customer.

b) Exceptional items

Exceptional items are those items which are of a non-recurring nature and, in the judgement of the directors, need to be disclosed separately by virtue of their nature, size or incidence. Items which may be considered exceptional in nature include significant write-downs of goodwill and other assets, significant changes in asset values as a result of changes in accounting estimates and Group restructuring costs.

6. Significant judgements and estimates

Certain of the Group's accounting policies described in note 2 require critical accounting estimates that involve subjective judgements and the use of assumptions, some of which may relate to matters that are inherently uncertain and susceptible to change.

a) Judgements

Areas of judgement that have the most significant effect on the amounts recognised in the consolidated financial statements are:

(i) Revenue recognition and assessment of long term contract performance

The Group generally accounts for long-term construction contracts using the percentage of completion method as performance of the contract progresses. This method requires judgement to determine accurate estimates of the extent of progress towards contract completion and may involve estimates of the total contract costs, remaining costs to completion, total revenues, contract risks and other judgements.

(ii) Carrying value of property, plant and equipment

Assessing whether property, plant and equipment may be impaired requires a review for indicators of impairment and, where such indicators exist, an estimate of the asset's recoverable amount by reference to value in use. Management are required to exercise significant judgement in reviewing for and identifying asset indicators of impairment and subsequently calculating value in use. During 2012 reduced revenue and operating margin in Australia highlighted an impairment indicator which, under IAS 36 triggered an impairment review of scaffold comparing the recoverable amount, determined from a basis of value in use, against the carrying amount. The impairment review resulted in an impairment charge of £13.0 million during 2012. A reorganisation of the Australia business during 2013 required a write down of property, plant and equipment to value in use and giving rise to a charge to profit of £4.2m.

(iii) Trade and other receivables

The Group provides for likely non-recovery of receivables to the extent that the carrying value is less than the present value of expected future cash flows. Assessing the value of the provision requires significant management judgement and review of individual receivables based upon individual customer creditworthiness, current economic trends and analysis of historical bad debts. The value of trade receivables at 31 December 2013 is £119.4 million (2012: £158.8 million) and the provision is £11.0 million (2012: £8.3 million).

(iv) Deferred tax assets

The Group recognises deferred tax assets on all applicable temporary differences where it is probable that future taxable profits will be available for utilisation. This requires management to make judgements and assumptions regarding the amount of deferred tax that can be recognised based on the magnitude and likelihood of future taxable profits. The carrying amount of deferred tax assets at 31 December 2013 is £24.2 million (2012: £21.5 million).

b) Estimates

The key assumptions affected by future uncertainty that have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year are:

(i) Onerous contracts

Provision is made for future losses on long-term contracts where it is considered that the contract costs are likely to exceed revenues in future years. Estimating future losses involves assumptions of contract performance targets and likely levels of future cost escalation over time. A provision for onerous contracts of £8.9 million (2012: £5.4 million) is recorded at 31 December 2013.

(ii) Impairment of goodwill

Goodwill is tested at least annually for impairment. This requires estimation of the value in use of the cash-generating units to which the goodwill is allocated. Calculation of value in use requires estimation of expected future cash flows from each of the cash- generating units and also to determine a suitable discount rate to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2013 was £113.7m (2012: £117.1m). There was no goodwill impairment recognised during 2013. An impairment charge of £129.8 million was recognised in 2012 on writing down goodwill held in the Australian cash-generating unit to its recoverable amount.

(iii) Provision for industrial disease claims
To the extent that such costs can be reliably estimated, a provision has been made for the costs which the Group is expected to incur in respect of lodged and future industrial disease claims arising on alleged exposure to previously manufactured asbestos products. The provision has been determined as at 31 December 2013 based on advice from independent professional actuaries. The amount of the provision is based on historic patterns of claim numbers and monetary settlements as well as published tables of projected disease incidence. Key assumptions made in assessing the appropriate level of provision include the period over which future claims can be expected, the rate at which claims will be filed, the rate of successful resolution as well as future trends in both compensation payments and legal costs. The value of the provision at 31 December 2013 is £94.3million (2012: £79.9 million) and the range of reasonable estimate determined as being between £89.5 million and £123.7 million.

(iv) Income tax
Group entities can be subject to routine tax audits and also a process whereby tax computations are discussed and agreed with the appropriate authorities. Whilst the ultimate outcome of such tax audits and discussions cannot be determined with certainty, management estimates the level of required tax provisions on the basis of professional advice and the nature of current discussions with the tax authority concerned.

7. Segment information
Management has determined the operating segments based on the reports reviewed by the Board (Chief Operating Decision Maker 'CODM') that are used to make strategic decisions. The CODM considers the business from a geographic perspective. As set out in note 2 under 'Basis of preparation', with effect from 1 January 2013 the Group reports three regional segments. The main profit measure used by the CODM in its review is adjusted operating profit.

The segment information for the year ended 31 December 2013 is as follows:

2013	**UK, Europe & CIS £m**	**MENA £m**	**Asia Pacific £m**	**Central £m**	**Group £m**
Continuing operations					
Adjusted revenue	**361.1**	**202.8**	**133.2**	**–**	**697.1**
Adjusted operating profit/(loss) before joint ventures	**32.5**	**15.1**	**(3.8)**	**(3.3)**	**40.5**
Share of post-tax profit from joint ventures	**0.2**	**-**	**0.3**	**-**	**0.5**
Adjusted operating profit/(loss)	**32.7**	**15.1**	**(3.5)**	**(3.3)**	**41.0**

2012	UK, Europe & CIS £m	MENA £m	Asia Pacific £m	Central £m	Group £m
Continuing operations					
Adjusted revenue	367.2	163.3	215.5	–	746.0
Adjusted operating profit/(loss) before joint ventures	39.4	(5.5)	(8.7)	2.4	27.6
Share of post-tax profit from joint ventures	-	–	0.1	–	0.1
Adjusted operating profit/(loss)	39.4	(5.5)	(8.6)	2.4	27.7

Segmental Adjusted operating profit/(loss) in the table above is shown after charging franchise fees. Adjusted operating profit before franchise fees is set out in note 7.

There were no significant sales between segments in either year.

Other segment items included in the consolidated income statement are as follows:

2013	**UK, Europe & CIS £m**	**MENA £m**	**Asia Pacific £m**	**Central £m**	**Group £m**
Depreciation	**6.4**	**6.7**	**4.6**	**–**	**17.7**
Amortisation	**0.1**	**–**	**–**	**–**	**0.1**

2012	UK, Europe & CIS £m	MENA £m	Asia Pacific £m	Central £m	Group £m
Depreciation	5.0	4.4	5.4	0.2	15.0
Amortisation	0.1	–	0.2	–	0.3

The geographical origin of adjusted revenue based on location of the entity is analysed as follows:

	2013 £m	2012 £m
Continuing operations:		
United Kingdom	**325.1**	314.7
Australia	**79.7**	140.0
Abu Dhabi	**59.4**	55.7
Qatar	**58.4**	43.6
Saudi Arabia	**54.8**	35.9
Rest of the world	**119.7**	156.1
Adjusted revenue from continuing operations	**697.1**	746.0
Discontinued operations	**8.6**	24.9
Total adjusted revenue	**705.7**	770.9

The Performance review section in this Annual Report provides an analysis of adjusted revenues between maintenance support services (being services to plant operators to assist with their maintenance and production support activities) and construction support services (being services to engineering and contracting companies to support major construction projects). This split in customer base and revenue does not represent an operating segment as multi-discipline services are provided to all customers and as such the segmental analysis is only presented by geographic segments.

Adjusted revenue from continuing operations derived from maintenance support services was £442 million (63%) (2012: £419 million (56%) and adjusted revenue derived from construction support projects was £255 million (37%) (2012: £327 million (44%).

Revenue from the largest client represented 11% of total Adjusted revenue (2012: 11%) relating to activity across all geographic segments and the top 10 clients represented 38% of Adjusted revenue (2012: 40%).

The segment assets and liabilities at 31 December 2013 and capital expenditure for the year are as follows:

2013	**UK, Europe & CIS £m**	**MENA £m**	**Asia Pacific £m**	**Central £m**	**Unallocated £m**	**Group £m**
Assets – continuing	119.9	161.0	99.3	0.5	129.1	509.8
Assets – discontinued	-	–	3.7	–	–	3.7
Total assets	**119.9**	**161.0**	**103.0**	**0.5**	**129.1**	**513.5**
Non-current assets included in total assets						
Goodwill and intangibles – continuing	24.9	47.1	41.9	-	-	113.9
Other – continuing	26.2	27.7	30.0	0.1	24.2	108.2
Total – continuing	51.1	74.8	71.9	0.1	24.2	222.1
Non-current assets – discontinued	-	-	-	-	-	-
Total non-current assets	51.1	74.8	71.9	0.1	24.2	222.1
Liabilities – continuing	46.2	64.1	26.2	97.7	146.1	380.3
Liabilities – discontinued	–	–	-	–	–	–
Total liabilities	**46.2**	**64.1**	**26.2**	**97.7**	**146.1**	**380.3**
Capital expenditure – property, plant and equipment	**7.2**	**8.5**	**1.8**	**0.2**	**-**	**17.7**

The segment assets and liabilities at 31 December 2012 and capital expenditure for the year are as follows:

2012	**UK, Europe & CIS £m**	**MENA £m**	**Asia Pacific £m**	**Central £m**	**Unallocated £m**	**Group £m**
Assets – continuing	124.4	163.5	157.2	2.7	121.5	569.3
Assets – discontinued	2.0	-	11.4	-	-	13.4

Total assets	126.4	163.5	168.6	2.7	121.5	582.7
Non-current assets included in total assets						
Goodwill and intangibles - continuing	24.9	47.1	45.2	-	-	117.2
Other – continuing	18.6	29.9	45.1	-	21.3	115.0
Total – continuing	43.5	77.0	90.3	-	21.2	232.2
Discontinued	-	-	-	-	-	-
Total non-current assets	43.7	77.0	90.3	-	21.2	232.2
Liabilities – continuing	54.5	60.7	58.0	76.9	151.8	401.9
Liabilities – discontinued	4.9	-	5.6	-	-	10.5
Total liabilities	59.4	60.7	63.6	76.9	151.8	412.4
Capital expenditure – property, plant and equipment	3.5	4.4	2.5	0.2	-	10.6

Segment assets consist primarily of property, plant and equipment, investments, intangible assets, inventories and trade and other receivables. Segment liabilities comprise operating liabilities.

Unallocated assets and liabilities comprise:

	2013		2012	
	Assets £m	**Liabilities £m**	Assets £m	Liabilities £m
Deferred tax	**24.2**	**4.7**	21.5	6.5
Current tax	**–**	**7.1**	-	8.3
Cash	**73.6**	**–**	72.8	-
Restricted funds	**31.3**	**–**	27.4	-
Current borrowings	**–**	**0.3**	-	0.3
Non-current borrowings	**–**	**133.5**	-	135.7
Derivatives	**–**	**0.6**	-	1.1
Total unallocated	**129.1**	**146.2**	121.7	151.9

8. Adjusted measures

The Group seeks to present a measure of underlying performance which is not impacted by exceptional or other items, both considered non-operational in nature. These measures are described as 'adjusted' and are used by management to measure and monitor performance. Other items and Exceptional items have been excluded from the Adjusted measures:

	2013 £m	2012 £m
Profit/(loss) before tax	**0.2**	(143.2)
Other items (see note 9a)	**15.3**	10.5
Exceptional items (see note 9b)	**15.5**	150.4
Interest income on restricted funds	**(0.7)**	(1.0)
Unwind of discount on provision for industrial disease claims	**4.0**	4.0
Write off of unamortised borrowing arrangement costs	**1.2**	–
Adjusted profit before tax	**35.5**	20.7
Operating profit/(loss)	**10.2**	(133.2)
Other items (see note 9a)	**15.3**	10.5
Exceptional items (see note 9b)	**15.5**	150.4
Adjusted operating profit	**41.0**	27.7
Adjusted operating profit margin	**5.9%**	3.7%
Adjusted operating profit	**41.0**	27.7
Depreciation and amortisation – continuing operations	**17.8**	15.0
Adjusted EBITDA	**58.8**	42.7
Revenue	**697.1**	737.0
Contract claims	–	9.0
Adjusted revenue	**697.1**	746.0
Net debt	**28.9**	35.8
Unamortised borrowing arrangement costs	**-**	2.0
Restricted funds	**31.3**	27.4
Adjusted net debt	**60.2**	65.2

	2013	2012
Finance costs	**(11.5)**	(11.6)
Unwind of discount on provision for industrial disease claims	**4.0**	4.0
Write off of unamortised borrowing arrangement costs	**1.2**	–
Adjusted finance costs	**(6.3)**	(7.6)

In 2011 the Group centralised certain operations and management functions under a new International Headquarters ('IHQ') to better support growth across its international operations. IHQ responsibilities include the management and development of the Group's non-UK intellectual property and, as part of these arrangements, IHQ entered into franchise agreements to support the Group's non-UK trading companies. The segmental Adjusted operating profit before franchise fee charges is as follows:

2013	**UK, Europe & CIS £m**	**MENA £m**	**Asia Pacific £m**	**Central Costs £m**	**Group £m**
Adjusted revenue	**361.1**	**202.8**	**133.2**	**-**	**697.1**
Adjusted operating profit/(loss) before joint ventures	**31.7**	**19.8**	**1.2**	**(12.2)**	**40.5**
Share of post-tax result of joint ventures	**0.2**	**-**	**0.3**	**-**	**0.5**
Adjusted operating profit/(loss)	**31.9**	**19.8**	**1.5**	**(12.2)**	**41.0**

2012	UK, Europe & CIS £m	MENA £m	Asia Pacific £m	Central Costs £m	Group £m
Adjusted revenue	367.2	163.3	215.5	-	746.0
Adjusted operating profit/(loss) before joint ventures	40.0	(1.1)	1.1	(12.4)	27.6
Share of post-tax result of joint ventures	-	-	0.1	-	0.1
Adjusted operating profit/(loss)	40.0	(1.1)	1.2	(12.4)	27.7

9.(a) Other items

	2013 £m	2012 £m
Continuing operations		
In revenue		
Contract claims	–	9.0
In operating profit		
Amortisation of intangibles	-	0.3
Actuarial charge to provision for industrial disease claims	14.3	-
Other industrial disease claims expenses	1.0	1.2
Other items included within operating profit	**15.3**	10.5

9.(b) Exceptional items

	2013 £m	2012 £m
Continuing operations		
Impairments on non-current assets in Australia		
Goodwill	–	110.7
Property, plant and equipment	4.2	13.0
Other changes in accounting estimates		
Standardisation of receivables provisioning methodology	**-**	2.2
Assessment of other non-current assets	**1.8**	16.6
Other	**9.5**	7.9
Exceptional items from continuing operations included within operating profit	**15.5**	150.4

During 2012 impairment testing on goodwill within the Australia cash-generating unit resulted in an impairment charge of £129.8m, allocated between continuing operations and discontinued operations.

The charge arising on the assessment of other non-current assets relates to provisions made against the carrying value of certain scaffold assets held outside of the Australia business.

‘Other’ primarily comprises restructuring costs including onerous leases and the write off of irrecoverable current assets.

10. Discontinued operations

Analysis of the result of discontinued operations and the result recognised on the re-measurement of assets of the disposal group is as follows:

	2013 £m	2012 £m
Revenue	**8.6**	24.8
Expenses	**(14.2)**	(29.8)
Loss before tax of discontinued operations	**(5.6)**	(5.0)
Deferred income tax credit	**0.8**	1.6
Loss after tax of discontinued operations before Exceptional items	**(4.8)**	(3.4)
Exceptional items		
Goodwill on Australian CGU	**-**	(19.1)
Property, plant and equipment	**-**	(17.4)
Disposal costs	**-**	(7.6)
Other	**-**	(2.7)
Deferred tax credit on Exceptional items	**-**	7.6
Loss after tax of discontinued operations	**(4.8)**	(42.6)

Discontinued operations relate to the termination of operations in India and Japan and the disposal of certain businesses following the restructuring of the Australian operations.

The assets of the disposal group classified as held for sale of £3.7 million at 31 December 2013 were all part of the disposal group assets of £11.4 million at 31 December 2012.

11. Finance income and costs

	2013 £m	2012 £m
Interest income		
Short-term bank deposits	**-**	0.2
Interest on pension assets	**0.8**	0.4
Interest on restricted funds	**0.7**	1.0
Finance income	**1.5**	1.6
Interest expense		
Bank borrowings	**(6.3)**	(7.4)
Finance leases	–	(0.2)
Unwind of discount on provision for industrial disease claims	**(4.0)**	(4.0)
Write off of unamortised borrowing arrangement costs	**(1.2)**	–
Finance costs	**(11.5)**	(11.6)
Net finance costs	**(10.0)**	(10.0)

12. Income tax

	2013 £m	2012 £m
Current tax		
Overseas	**6.7**	8.5
Adjustments in respect of prior years	**2.2**	(5.4)
Deferred tax		
Overseas	**(5.4)**	11.5
Adjustments in respect of prior years	**(0.8)**	4.6
Income tax expense	**2.7**	19.2

The difference between the actual tax charge and the charge that would have arisen using Jersey’s standard corporation tax rate of 0% (2012: 0%) is explained in the table below:

	2013	2012 £m

	£m	
Profit/(loss) before tax	**0.2**	(143.2)
Tax calculated at the standard rate of corporation tax in Jersey of 0% (2012: 0%)	**-**	-
Adjustments in respect of prior year	**1.4**	(0.8)
Adjustments in respect of overseas tax rates	**(2.0)**	(40.8)
Tax losses not recognised	**0.4**	0.7
Expenses non-deductible	**3.3**	1.1
Income not taxable	**(1.4)**	(0.8)
Exceptional items		
Impairment of goodwill	**-**	33.2
Derecognised losses	**-**	25.9
Change in tax rates	**1.0**	0.7
Tax charge	**2.7**	19.2

Factors affecting current and future tax charges
The Group has worldwide operations and is subject to several factors that may affect future tax charges, principally the levels and mix of profitability in different jurisdictions, tax rates imposed and tax regime reforms.

13. Earnings per ordinary share
Basic earnings per share ('EPS') for the year equals the loss after tax attributable to the Company's ordinary shareholders of £6.8 million (2012: loss of £206.6 million) divided by the weighted average number of issued ordinary shares of 120,825,623 (2012: 119,808,799).

When the Group makes a profit, diluted EPS equals the profit attributable to the Company's ordinary shareholders divided by the diluted weighted average number of issued ordinary shares. When the Group makes a loss, diluted EPS equals the loss attributable to the Company's ordinary shareholders divided by the basic (undiluted) weighted average number of issued ordinary shares. This ensures that EPS on losses is shown in full and not diluted by unexercised share options or awards.

Share options and awards are considered dilutive when the average share price during the year is higher than the average exercise price of the option or award.

	2013 Shares	2012 Shares
Basic weighted average number of shares	**120,825,623**	119,808,799
Adjustments:		
Weighted average number of outstanding share options	**1,109,048**	1,088,764
Diluted weighted average number of shares	**121,934,671**	120,897,563

The basic weighted average number of shares excludes shares that the Company holds in an employee benefit trust. The weighted average number of shares held in the trust during the year was 266,653 (2012: 418,574).

	2013		2012	
	Earnings £m	**EPS pence**	Earnings £m	EPS pence
Basic loss per share				
Continuing operations	**(2.0)**	**(1.6)**	(164.0)	(136.9)
Discontinued operations	**(4.8)**	**(4.0)**	(42.6)	(35.6)
Basic loss per share	**(6.8)**	**(5.6)**	(206.6)	(172.5)
Diluted (loss)/earnings per share				
Continuing operations	**(2.0)**	**(1.6)**	(164.0)	(136.9)
Discontinued operations	**(4.8)**	**(4.0)**	(42.6)	(35.6)
Diluted (loss)/earnings per share	**(6.8)**	**(5.6)**	(206.6)	(172.5)
Adjusted basic earnings per share – continuing operations				
Loss from continuing operations	**(2.0)**	**(1.6)**	(164.0)	(136.9)
Amortisation of intangibles	**-**	**-**	0.3	0.3
Non recurring costs	**-**	**-**	9.0	7.5
Exceptional items	**15.5**	**12.7**	150.4	125.5
Industrial disease related costs and interest income	**18.6**	**15.4**	4.2	3.5
Write off of unamortised borrowing arrangement costs	**1.2**	**1.0**	-	-
Tax effect of adjusting items	**(4.5)**	**(3.7)**	15.5	13.0
Adjusted basic earnings per share	**28.8**	**23.8**	15.4	12.9

Adjusted diluted earnings per share – continuing operations				
Earnings from continuing operations	**(2.0)**	**(1.6)**	(164.0)	(135.7)
Amortisation of intangibles	**-**	**-**	0.3	0.3
Non recurring costs	**-**	**-**	9.0	7.4
Exceptional items	**15.5**	**12.7**	150.4	124.4
Industrial disease related costs and interest income	**18.6**	**15.2**	4.2	3.5
Write off of unamortised borrowing arrangement costs	**1.2**	**1.0**	-	-
Tax effect of adjusting items	**(4.5)**	**(3.7)**	15.5	12.8
Adjusted diluted earnings per share	**28.8**	**23.6**	15.4	12.7

The adjusted earnings per share calculations have been calculated after excluding the impact of amortisation of intangibles, non-recurring costs, Exceptional items, industrial disease claims related costs, interest income and the tax impact of these items. Options are dilutive at the level of adjusted profit from continuing operations and so, in accordance with IAS 33, have been treated as dilutive for the purpose of adjusted diluted earnings per share.

14. Dividends per share

An interim dividend was paid in October 2013 amounting to 4.5 pence per share (2012: 4.5 pence per share). Interim dividends are recognised when paid. A final dividend in respect of the year ended 31 December 2013, of 9.5 pence per share amounting to £11.5 million, is to be proposed at the Annual General Meeting convened for Wednesday 14 May 2014 making a total dividend of 14.0 pence per share for the year (2012: 14.0 pence per share).

These consolidated financial statements do not reflect this final dividend payable.

15. Intangible assets

	Goodwill £m	**Other £m**	**Total £m**
Cost			
At 1 January 2012	246.4	10.4	256.8
Additions	3.1	0.1	3.2
Impairments	(129.8)	-	(129.8)
Exchange adjustments	(2.6)	-	(2.6)
At 31 December 2012	117.1	10.5	127.6
Additions	-	0.1	0.1
Disposals	-	(3.9)	(3.9)
Exchange adjustments	(3.4)	(1.0)	(4.4)
At 31 December 2013	**113.7**	**5.7**	**119.4**
Accumulated amortisation			
At 1 January 2012	-	10.1	10.1
Amortisation charge	-	0.3	0.3
At 31 December 2012	-	10.4	10.4
Amortisation charge	-	0.1	0.1
Disposals	-	(3.9)	(3.9)
Exchange adjustments	-	(1.1)	(1.1)
At 31 December 2013	**-**	**5.5**	**5.5**
Net book amount:			
At 1 January 2012	246.4	0.3	246.7
At 31 December 2012	117.1	0.1	117.2
At 31 December 2013	**113.7**	**0.2**	**113.9**

Amortisation of £0.1 million (2012: £0.3 million) has been charged to the Consolidated Income Statement.

Impairment tests for goodwill

As required by IAS 36 – Impairment of assets, the Group tests goodwill for impairment on an annual basis. The recoverable amounts of each CGU is based on a value in use calculation.

Each CGU's value in use was calculated by taking the Group's five year cash flow forecasts and then applying a long-term growth rate to the periods beyond the fifth year, discounted back using a pre-tax discount rate. These present values were then compared to the combined carrying value of the CGU's assets (goodwill, intangible assets and property, plant and equipment). The key assumptions used in preparing the discounted cash flows were as follows:

EBITDA and cash flow projections

EBITDA and capital expenditure in the five year forecast commenced with the most recently approved annual budget, years two to five were prepared on a country by country basis by considering past performance, long-term market share and estimates of market growth by sector. All cash flows associated with future capital expenditure that would enhance the performance of the CGU's were then removed from the discounted cash flows.

Discount rate
The discount rate reflects the estimated post-tax rate of return that would be expected from a rational investor over the period of the forecast, which is then adjusted to a pre-tax discount rate by reference to the Group's five year cash tax forecast. The post-tax discount rate was calculated using the Capital Asset Pricing Model approach, with the risk free rate based on UK Government gilts, the beta derived via weekly observations over a five year period and the risk premium based on a consistent long-term average return on shares. Adjustments were then made to the discount rate of each CGU to reflect different risks associated with those CGU's (both specific risk premiums and in respect of local risk free rates). The pre-tax discount rates applied are set out in the table below.

Long-term growth rates
Long-term growth rates were also applied to each CGU separately. Considerations to derive the growth rates included long-term GDP growth and projected growth rates in the supply and demand for energy. The long-term growth rates applied are also set out below.

The assumptions used in the value in use calculations were as follows:

	Goodwill £m	Discount rate	Long-term growth rate	Headroom £m
UK	18.7	12.8%	2.7%	281.1
CIS	6.1	13.0%	2.7%	46.8
MENA	47.1	15.0%	2.7%	138.0
Australia	20.6	14.6%	2.7%	18.8
Asia	21.2	14.3%	2.7%	49.8
	113.7			**534.5**

Sensitivities
The table below discloses what changes in the key assumptions would cause the carrying value of the CGU's to exceed their recoverable amounts:

	Discount rate to reach impairment	Long-term growth rate to reach impairment
UK	104.2%	n/a
CIS	63.3%	n/a
MENA	40.4%	n/a
Australia	19.5%	(8.4%)
Asia	38.5%	n/a

Sensitivities were also applied to the five year EBITDA compound annual growth rates, again there was sufficient headroom in each of the CGU's with flat or negative growth rates still providing headroom.

*n/a – level of headroom is so significant, it is not practicable to calculate.

16. Property, plant and equipment
During the year ended 31 December 2013, the Group acquired assets with a cost of £17.7 million (2012: £10.8 million) and received proceeds from asset sales of £2.2 million (2012: £1.3 million) as shown in the consolidated cash flow statement representing the actual cash outflow.

	Land and buildings £m	Fixtures and fittings £m	Plant and machinery £m	Total £m
Cost				
At 1 January 2012	25.6	9.6	228.9	264.1
Exchange adjustments	(0.5)	(0.2)	(4.9)	(5.6)
Additions	1.3	0.5	8.8	10.6
Assets transferred to disposal group	(6.3)	(0.5)	(28.3)	(35.1)
Reclassification of inventory to fixed assets	–	-	2.1	2.1

Disposals	–	(0.1)	(15.1)	(15.2)
At 31 December 2012	20.1	9.3	191.5	220.9
Exchange adjustments	(0.7)	(0.4)	(11.9)	(13.0)
Additions	2.5	0.8	14.4	17.7
Disposals	(2.1)	(0.3)	(26.6)	(29.0)
At 31 December 2013	**19.8**	**9.4**	**167.4**	**196.6**
Accumulated depreciation				
At 1 January 2012	5.9	7.9	91.5	105.3
Exchange adjustments	(0.2)	(0.2)	(2.3)	(2.7)
Charge for the year	1.2	0.7	14.3	16.2
Assets transferred to disposal group	(3.1)	(0.5)	(20.1)	(23.7)
Impairments	1.2	-	38.9	40.1
Disposals	–	-	(5.6)	(5.6)
At 31 December 2012	5.0	7.9	116.7	129.6
Exchange adjustments	(0.4)	(0.3)	(6.9)	(7.6)
Charge for the year	1.0	0.8	15.9	17.7
Disposals	(1.2)	(0.3)	(22.9)	(24.4)
At 31 December 2013	**4.4**	**8.1**	**102.8**	**115.3**
Net book amount				
At 1 January 2012	19.7	1.7	137.4	158.8
At 31 December 2012	15.1	1.4	74.8	91.3
At 31 December 2013	**15.4**	**1.3**	**64.6**	**81.3**

Depreciation expense of £17.7 million (2012: £16.2 million) has been charged to cost of sales in the consolidated income statement.

Exchange adjustments relate to the translation of assets held by foreign operations into the presentation currency.

The Group leases plant and machinery under finance lease agreements. At 31 December 2013 the net carrying amount of plant and machinery held under finance lease was £1.4 million (2012: £4.5 million).

17. Provisions

	Onerous contracts £m	Legal £m	Other £m	**Total £m**	Industrial disease claims £m	**Total Group £m**
At 1 January 2013	**5.4**	**6.4**	**9.5**	**21.3**	**79.9**	**101.2**
Utilised	(2.7)	-	(8.1)	**(10.8)**	(3.8)	**(14.6)**
Charged to the income statement	7.3	0.6	5.3	**13.2**	14.2	**27.4**
Discount unwind	-	-	-	**-**	4.0	**4.0**
Released to the income statement	(1.1)	-	(1.4)	**(2.5)**	-	**(2.5)**
At 31 December 2013	**8.9**	**7.0**	**5.3**	**21.2**	**94.3**	**115.5**
2013						
Current provisions	8.9	7.0	4.6	**20.5**	6.0	**26.5**
Non-current provisions	-	-	0.7	**0.7**	88.3	**89.0**
	8.9	**7.0**	**5.3**	**21.2**	**94.3**	**115.5**
2012						
Current provisions	5.4	6.4	5.0	**16.8**	4.0	**20.8**
Non-current provisions	-	-	4.5	**4.5**	75.9	**80.4**
	5.4	**6.4**	**9.5**	**21.3**	**79.9**	**101.2**

Onerous contracts
Provision is made for onerous contracts where it is considered that the contract costs are likely to exceed revenues in future years.

Legal

The Group is involved in a number of legal and other disputes, including notification of possible claims. The directors, having considered the facts and circumstances of each item, including legal advice where appropriate have established provisions to cover the costs of future settlement.

Other
Other provisions comprise various other provisions including disposal costs on businesses being divested, restructuring provisions, property related provisions and contingent consideration on acquisitions.

Industrial disease claims
To the extent that such costs can be reliably estimated, a provision has been made for the costs which the Group is expected to incur in respect of lodged and future industrial disease claims arising from alleged exposure to previously manufactured asbestos products. The provision has been determined as at 31 December 2013 based on advice from independent actuaries. The provision for industrial disease claims is discounted at 3.75% (2011: 5%) being the appropriate risk free rate over the term of the liabilities.

There is uncertainty associated with the future level of asbestos related industrial disease claims and of the costs arising from such claims. There can be no guarantee that the assumptions used to estimate the provision will result in an accurate prediction of the actual costs that may be incurred. As such, the provision may be subject to potentially material revisions from time to time if new information becomes available as a result of future events.

The directors anticipate that, assuming no material deterioration in trading performance, the Group will (i) be able to sufficiently fund its subsidiary Cape Claims Services Limited to satisfy all claims that will be settled under the Scheme of Arrangement and (ii) be sufficiently funded to satisfy all other UK claims settled outside of the Scheme of Arrangement.

18. Share capital and reserves

Ordinary shares of 25p each	**2013 Number of shares**	**2013 £m**	2012 Number of shares	2012 £m
Authorised	**200,000,000**	**50.0**	200,000,000	50.0
Issued and fully paid:				
At 1 January	**121,068,690**	**30.3**	118,631,888	29.7
Issue of shares	**7,437**	–	14,927	–
Exercise of share options	**27,810**	–	2,421,875	0.6
At 31 December	**121,103,937**	**30.3**	121,068,690	30.3
plc Scheme share				
Authorised, issued and fully paid at 1 January and 31 December	1	–	1	–

As at 31 December 2013, 225,630 (2012: 347,444) shares were held in an employee benefit trust.

Special Reserve
The Special Reserve was created in 2008 by court order upon cancellation of the share premium and retained earnings. The Special Reserve is not distributable and restrictions exist over its use.

Translation Reserve
The translation reserve comprises all foreign currency differences arising from the translation of financial statements of foreign operations.

Other reserves
Other reserves relates to hedging reserves held in respect of cash flow and net investment hedges.

plc Scheme Share
The plc Scheme Share is held by the Law Debenture Trust Corporation plc on behalf of the Scheme creditors.

The rights attaching to the share are designed to ensure that Scheme assets are only used to settle Scheme claims and ancillary costs and do not confer any right to receive a distribution or return of surplus capital save that the holder will have the right to require the Company to redeem the share at par value on or at any time after the termination of the Scheme.

The share carries two votes for every vote which the holders of the other classes of shares in issue are entitled to exercise on any resolution proposed during the life of the Scheme to engage in certain activities specified in the Company's Articles of Association.

The Company will not be permitted to engage in certain activities specified in the Company's Articles of Association without the prior consent of the holder of the share.

19. Cash generated from operations

a) Reconciliation of Group profit/(loss) before tax to cash generated from continuing and discontinued operations

	2013 £m	2012 £m
Cash flows from operating activities		
Continuing operations		
Profit/(loss) before tax	**0.2**	(143.2)
Finance costs – net	**10.0**	11.0
Share of post-tax result of joint ventures	**(0.5)**	0.2
Other items	**9.3**	8.7
Exceptional items	**11.2**	150.4
Share option (credit)/charge	**0.6**	(0.4)
Depreciation and amortisation	**17.8**	15.0
Difference between pension charge and cash contributions	**0.9**	(0.2)
(Profit)/loss on sale of property, plant and equipment	**0.5**	0.3
Decrease/(increase) in inventories	**7.3**	(7.4)
Decrease/(increase) in trade and other receivables	**36.3**	(2.9)
(Decrease)/increase in trade and other payables	**(33.9)**	24.9
(Decrease)/increase in provisions	**(2.7)**	(3.7)
Cash generated from continuing operations	**57.0**	52.7
Discontinued operations		
Loss before tax	**(5.6)**	(51.8)
Exceptional items	**-**	46.8
Depreciation	**-**	1.2
Cash used in discontinued operations	**(5.6)**	(3.8)

In the consolidated cash flow statement, proceeds from sale of property, plant and equipment comprise:

	2013 £m	2012 £m
Net book amount	**2.7**	1.1
Gain/(loss) on disposal of property, plant and equipment	**(0.5)**	0.2
Proceeds from disposal of property, plant and equipment	**2.2**	1.3

b) Analysis of cash flows relating to restricted funds

	2013 £m	2012 £m
At 1 January	**27.4**	30.1
Payment of Scheme creditors	**(3.1)**	(3.8)
Interest received	**1.0**	1.1
Receipt of funds	**6.0**	-
At 31 December	**31.3**	27.4

Restricted funds relate to scheme cash which is used to fund industrial disease claims.

20. Reconciliation of net cash flow to movement in net debt (excluding restricted funds)

	2013 £m	2012 £m
Net increase in cash and cash equivalents	**0.8**	3.2
Movement in obligations under finance leases	**0.3**	3.4
Repayment/(draw) on revolving facility	**2.0**	(12.6)
Drawing on borrowings	**(2.3)**	-
Foreign exchange movements	**4.2**	-
Movements in adjusted net debt during the year	**5.0**	(6.0)
Adjusted net debt excluding restricted funds – opening	**(65.2)**	(59.2)
Adjusted net debt excluding restricted funds – closing	**(60.2)**	(65.2)

Adjusted net debt excluding restricted funds is calculated by deducting current and non-current borrowings from cash and cash equivalents.

21. Contingent liabilities

The provision for industrial disease claims has determined as at 31 December 2013 based on advice from independent actuaries. As reported in note 28 ‘Provisions’, the value of the provision is £94.3m (2012: £79.9m)

and the actuarial range of reasonable estimates assessed at the date of the statement of financial position date is between £89 million and £123 million. There is uncertainty associated with the future level of asbestos related industrial disease claims and of the costs arising from such claims. As such, the provision may be subject to potentially material revisions from time to time if new information becomes available as a result of future events.

Further to an incident that occurred on a client's site during 2012 that tragically resulted in the fatality of a Cape employee, the Health and Safety Executive notified Cape Industrial Services Limited, the employing company, in early 2014 of their decision that legal proceedings should commence. At the date of the statement of financial position no amounts have been provided in respect of this matter.

The group is required to issue trade finance instruments to certain customers. These include tender bonds, performance bonds, retention bonds, advance payment bonds and standby letters of credit. At 31 December 2013 the Group's bank facilities relating to the issue of bonds, guarantees and letters of credit amounted to £45.1million (2012: £47.0 million).

22. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Other related party transactions are disclosed below.

As at the year-end there was a balance of £3.4 million (2012: £1.8 million) owed by joint ventures. These amounts are unsecured, have no fixed date of repayment and are repayable on demand. Amounts owed by joint ventures are assessed for recoverability and, where necessary, provide for in line with normal commercial transactions. Revenue with joint ventures in 2013 was £17.8 million (2012: £12.4 million).

23. Post balance sheet events

On 11 February 2014 the Group entered into a new financing agreement with a syndicate of eight banks comprising existing syndicate members of Barclays Bank plc, Lloyds Bank plc and HSBC Bank plc and a number of new lenders, Abbey National Treasury Services plc, AIB Group (UK) plc, DNB Bank ASA, ICBC (London) plc, and National Westminster Bank plc. The agreement is for a £295 million revolving credit facility and a £50 million accordion facility until April 2018 and replaces the existing £200 million and AUD$30 million facilities that were due to expire in June 2015.

On 11 March 2014, the Group announced the acquisition of 100% of the voting shares of Motherwell Bridge Limited, headquartered in Scotland, a leading supplier of storage tanks, gasholders and heat exchangers to the energy and steel markets. Purchase consideration of £37.7m, was made up of cash of £34.0 million, debt of £0.9 million and deferred consideration of up to £2.8 million contingent upon future business performance. Revenue for the year ended 31 December 2012 was £34.6 million with earnings before interest, tax and amortisation of £4.8 million and gross assets at that date of £42.4 million. The investment is expected to be earnings enhancing in the first full year of Group ownership. Additional disclosures required under IFRS 13 are not possible at this time given the proximity of the acquisition to the date of completing this report.