

Chief executive's review

Defining difference

It is a real privilege to be the chief executive officer at VolkerWessels UK. We have a very special organisation that makes a positive difference to people's lives, both within the company and across the UK as a whole.



Strengthening our market position

2017 was another strong year for us, with solid performance across all of our businesses, in line with and in many cases going beyond expectations. Delivered through our talented people, we never settle for second best; we always aim to deliver the highest quality work, within the safest environment and we strive to exceed expectations.

We are operating in a growing yet constantly challenging market. Our selective approach to new business drives and underpins our success and allows the clients we do work with to trust us implicitly.

We have yet again strengthened our market position by securing, extending and renewing a number of long-term contracts, providing visibility and stability in the order book. Contracts such as the Chilterns Tunnels and Colne Valley Viaduct civils work for HS2, Oldbury Viaduct for Highways England, the On-Track Plant framework for Network Rail, Port of Felixstowe expansion, the jetty at Thankses Oil Fuel Depot, the East Anglia ONE wind farm and a new rail link for Luton Airport.

A decade on from the launch of VolkerWessels UK, we are financially strong, we have a trusted brand, committed people and a market-leading position. Our growth as a business continues apace.

There is a culture of positivity that runs through everything that we do. We believe that we are strong performers as we do business differently. By that I mean, we lead the way within our industry, in terms of business practices and actually defining future parameters.

Dependable delivery partner

In the current climate, clients require highly dependable delivery partners. Ours is an industry with a continuous demand for improvement and value-for-money solutions, efficient delivery of contracts and innovative approaches. I am pleased to say that we rise to that challenge every day.

We have developed a reputation for being highly proficient across all of the spheres in which we work. The key elements of our success are our commercial risk management, engineering and operational delivery as well as a very defined culture created by our people.

We have a clear and consistent strategic direction and organisational structure which allows us to focus on the future, ensuring that we keep to our principals, ethics and commercial goals.

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We achieved a strong financial performance in 2017 with underlying operating profit of £24m - an increase of 4% compared to 2016, reflecting the strength in our market positions and the diversity of our business.

Following the Brexit vote in 2016, we continue to experience a degree of wider market uncertainty. However, even with the weaker pound, the impact on our businesses appears to have been limited due to our continued strategic imperative of closely managing our cost base and operational risks, whilst still being able to respond swiftly to market developments.



We achieved a strong financial performance in 2017 with operating profit of **£24m**



Our overall accident frequency rate in 2017 was **0.08**. This demonstrates our industry-leading safety performance



We invest extensively in the recruitment, selection, learning and development of our people and our transition to a genuine learning organisation is well underway



£500,000 spent on training and development and **24,000** hours of personal development



We have a strong opportunity pipeline. Our order book for 2018 is in excess of **£1bn**



Project:
M2 Stockbury Viaduct

Location:
Stockbury, Kent

Client:
Highways England

Commitment to health and wellbeing

The health and wellbeing of everyone within the business, on-site or office based, is extremely important to us. We care about our people and their families. We have an unwavering commitment to the health and safety of those working with us, and our performance in recent years demonstrates the strength of our achievements.

Our overall accident frequency rate in 2017 was 0.08. This, when compared to the industry average from the Health and Safety Executive of 0.20 for the same period, demonstrates our industry-leading safety performance. We continue to focus our efforts on preventing all injuries, not just major ones, and I am pleased to see significant reductions in minor injuries over the same period. We will continue to work tirelessly in efforts to make sure that everyone arrives home safely, every day.

In 2017, we put new plans in place to build upon our occupational health service and introduce a more detailed mental health programme of advice and support, encouraging all of our people to look out for each other as we go about our daily lives. In 2018, we will continue to invest in more support on both the physical and mental aspects of health in the workplace, working with national partners and advisory bodies, as we seek to play our role in eradicating the causes of ill health in our industry.

Attracting and retaining talent

We invest extensively in the recruitment, selection, learning and development of our people. We aspire to be the 'employer of choice' - attracting and retaining the best talent - and realise that achieving that status requires continuous effort. We recognise that there is an increasing skills shortage across our industry, but we are fully equipped with the right blend of knowledge, competence and expertise to make a real difference for all customers and stakeholders - now and in the future. Our apprenticeship and graduate programmes are great examples of what we are doing as we future proof our businesses. We are an attractive and responsible employer with a culture of providing on-going training and reviews and enhancement of technical and development skills that match the career aspirations of our people.

An inclusive place to work

Other areas of focus for our ongoing and continuous improvement, above and beyond the desire to continually deliver safely and deliver well, are learning and development and equality, diversity and inclusion (EDI). If we are to attract and retain the best people within our business, we must become the standard against which all other companies are measured in these important areas of our work. I hope you enjoy reading more about this on page 22.

Our entrepreneurial founders

Whilst there was much to celebrate, with good progress made by our people in 2017, it was also the year that we said farewell to two of our businesses' founder members. In November, we heard of the untimely death of Dik Wessels. Dik who founded VolkerWessels, was one of the most successful businessmen in the Netherlands. He died at the age of 71 following a period of illness. Patrick Fitzpatrick, son of the founder of Fitzpatrick & Sons who later sold his business to VolkerWessels UK, died in December at the age of 90.

We shall be forever grateful for their contributions and the best wishes of the entire VolkerWessels UK business are extended to Dik's and Patrick's families. By giving our people the entrepreneurial freedom of those exhibited by our founders, within a tightly managed risk and compliance framework, we continue to deliver solutions that drive the performance across our business units, which gives our customers every reason to come back to us time and again.

Continuing to define difference

We are pleased with our year-end results which reflect the hard work, dedication and commitment from all of our teams, who have been delivering outstanding projects. Not only have they delivered in line with or exceeded expectations by developing positive year-on-year order book growth, but they are also reporting a very strong opportunity pipeline for 2018 and beyond.

It is vital that VolkerWessels UK's people are engaged and empowered to deliver for our customers. We place great emphasis on being a place where people love to work and a business that clients want to work with. By combining our unique culture with unwavering consistency, this results in our industry-leading performance and exciting future.

In addition, thank you to our management teams and all our people, who continually help to define VolkerWessels UK as a leading business within the UK construction industry and provide dependable delivery for all stakeholders on outstanding and innovative projects.

Alan Robertson
Chief executive officer