

letter from the management

Happy New Year to you all and welcome to the first issue of the Crummock Newsletter .

Following a big upheaval in Crummock at the end of 2005 and into the beginning of 2006, most areas of Crummock have continually improved.

Employee numbers took a dip in the Spring of last year but we have been slowly and carefully replacing the drop in numbers with good quality personnel who can carry out high quality work. We feel we are now in a position where the majority of the workforce care about the work they turn out and realise the importance of profitability for the company moving forward.

The turnover target was set in the budget for the financial year April 2006 – March 2007 at £14million. It appears that we will end up a million or so less than this by the year end but this is relatively unimportant as we have managed reductions in overheads costs in line with the reduced turnover.

The budget for the next financial year is being considered at this time and we expect the target for turnover will be set at around £15million. We already have around £9million in our order book for that period from some of our longstanding core clients. These include Applecross, West Lothian Council, East Lothian Council, Midlothian

Council and Gilchrist & Lynn.

This is obviously good news for everyone at Crummock as it is testament to the fact we continue to fulfil our client's expectations with regard to the quality and service we provide.

A big big Thank-You to everyone who has contributed to getting us to where we are.



Derek Hogg
Director

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Special points of interest:

- Crummock Turnover £15m for next year
- £9m of orders already in order book
- Innovative Ground Support system at the Cedars
- Partnerships that are working
- Slimming Club — Winner to take £230
- New plant in the pipeline

Crummock have been successful in winning a variety of interesting and high value contracts over the last year. These include:

South Oswald Road, for Applecross Developments: A development of flats in Edinburgh. Crummock's work included the construction of the basement car park. The first phase is complete with Crummock returning to do the final landscaping once the flats are nearing completion.



Task Execution Contract for West Lothian Council

Crummock have been working on this contract with West Lothian Council for the last two years and while there were initial teething problems these have all been resolved and our relationship with the client goes from strength to strength. Significant sized projects continue to come our way and the Directors have recently agreed with the Councils principals that we will carry out £3m worth of work with them in the next financial year



Term Maintenance Contract - In partnership with Midlothian Contract Services. Crummock's work consists of various jobs throughout Midlothian ranging from remote footpaths to new cycleways and 'Design and Build' projects. The contract has already been renewed for the next financial year.



ASDA Stores

In the last few months of last year we carried out 3 large contracts for ASDA on a maintenance contract we have held for the last 4 years. Stores at Kilmarnock, Bishopbriggs and Coatbridge have had the car parks resurfaced along with various other works.



The Cedars for Applecross

Job started in November 2006 again requiring a large excavation to accommodate an underground car park. We saved our client a substantial amount of money by proposing an alternative to piling (See photo) which had been designed for this contract. This is a good example of the benefits of true partnerships in achieving the best solutions and working together.



Novotel

Crummock are regularly asked to tender for contracts by many of the large consulting engineers working on behalf of their clients.



Novotel at Hermiston Gate came to us through 'Fairhursts' and turned out to be a very successful project which will undoubtedly gain us further enquiries to price.

Peebles for Synergy Developments

Over and above our core clients and regular sources of enquiries we receive many other opportunities to price and secure contracts. This 30+ house development in Peebles is one such job which was started near the end of last year. We will complete the infrastructure in this visit and then return to site to complete the hard and soft landscaping.



Cambuslang for Fulcrum

Fulcrum are a project management company with whom Crummock are steadily building a partnership. This job is hopefully the first of many under this arrangement. Partnerships work both ways though and Crummock are seeking to employ Fulcrum to project manage a potential building job we are currently in the process of designing and pricing.



As most of you are aware, John Laurenson is in charge of our plant department. While everybody grows to like him he is usually one of the most tight-fisted people we know. That is until it comes to spending money on plant! He has bought various items over the last year including a Crusher, an Excavator, 4 Mini Excavators, Rollers, Cobra breakers, Whackers, etc.

His philosophy is to own all our own plant, replacing items we consistently hire in. To that end he would encourage suggestions on what to buy next to try and reduce our monthly hire bills.

In 2007 we will be looking to replace at least one of the Surfacing machines. We like to replace them after 3 years or so to ensure the reliability factor is at its highest. It's good to note that we always achieve top prices for our old tar machines we trade in which is down to looking after them and maintaining them regularly.



new estimating system

Lee Fraser has been working with new Valesco software to improve the reliability of and the information from our estimating process. On winning a job the site manager will be provided with a schedule of all the materials, plant and other resources allowed for within our tender price. We have recently won our first job using the new system so we will monitor the information which will probably lead to some adjustments in the program before we are completely confident with it.



Lee Fraser

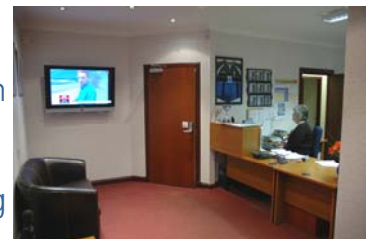
Until then, Gordon Thomson will continue to price up the jobs in his usual professional manner!

reception upgrade

Those of you visiting the office since the Christmas break will have noticed a new screen in reception. This has been installed over the Christmas period in an area which may be the first impression of Crummock to a visitor.

It is intended to project images of current Crummock jobs, pages from our website and even welcome messages for expected visitors.

At other times it may show Sky News and similar programs, projecting an image of a company which is in touch with current affairs.



new board room

Construction has commenced in the change-over from a workroom to a new boardroom. Ceilings, walls and flooring are all being changed to provide a modern, quiet and comfortable area with audio visual equipment installed to enable presentations.

Again this will boost Crummock's professional image with visitors.



Great response to Donna's proposal to join the "Crummock Slimming Club"!

We have 23 people who have joined up and the company are fully behind the plan.

This is obviously the best time of year to get participants but it remains to be seen as to how many will last the course and see it through to the final weigh-in at the end of March.

With the incentive being £230 for 1st place and Crummock putting up the 2nd and 3rd place prizes of £150 and £75 respectively, we wish all participants the best of luck and trust you will not go mad and lose too much too quickly!

employee news



Jennifer Wilson
Purchase Ledger Supervisor

Jennifer joined Crummock as Purchase Ledger Supervisor in November 2006.

Having grown up with a family of builders she has a good understanding of how the industry works (and the language used!!!)

Jennifer was brought on board to improve the running and efficiency of the Purchase Ledger department.



Bobby Hogg
Project Manager

Bobby joined Crummock as Project Manager in October 2006.

Formerly with Pennant Plant, Bobby has extensive experience in civil engineering projects of all sizes.

Bobby is currently working on West Lothian Contracts.



Lynda Selfridge
Credit Control/Admin Support

Lynda started with Crummock in October 2006 working in the Surfacing Department as Credit Control/Admin Support.

With experience and knowledge of the Construction Industry, Lynda was brought on board to further improve the efficiency of the surfacing division.

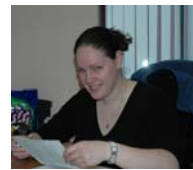


Bridie Hay
Purchase Ledger Clerk

Bridie was brought on board as a Purchase Ledger Clerk at the beginning of 2007.

Having a vast knowledge of purchase ledger accounts she has already become a great asset to the department.

Bridie is settling in well and is enjoying facing new challenges every day.



Claire Black
Purchase Ledger Clerk

Claire joined the accounts department this month as a part time purchase ledger clerk.

Having grown up in the building and construction industry and having previous experience in purchase ledger work Claire has brought this knowledge and experience to this position.

Claire is currently working on the non-operated plant side and assisting her colleagues.

Promotions

For the past one and a half years Iain Keay has worked with Crummock as a Construction Foreman and has proved himself as a hard-working dedicated member of staff in all aspects of his work. Iain was an ideal choice for the promotion to Works Manager in December 2006.

Goodbye and Good Luck

As you may be aware Cheryl Deans, Kim Connerton and Alison Fraser, from the accounts department, have all left the company to continue their careers in a different direction. Works Manager Scott Napier has also left the company. We would like to thank them for their hard work whilst with Crummock and wish them well with their futures.

Your News

If anyone has any information they would like to share by having it published in the next newsletter please pass this to Lynda Selfridge in the office. We want to hear about your special occasions, births, weddings, engagements, anniversaries etc...

Special Thanks to Lynda Selfridge for designing and collecting the information for this 1st Crummock Newsletter