

How blended margin moved from 20.8% to 21.4%

The period-on-period bridge for Meridian's eight contracts: six reported drivers behind the 0.6-point movement in April 2026, the contracts involved, and illustrative recovery levers against the 22.0% target.

CLIENT

Meridian M&E Ltd

PORTFOLIO

£14.2m · 8 contracts

REFERENCE

MER-BRG-P7

PERIOD

April 2026 · Month 7

PREPARED BY

BuiltAI Intelligence Ltd

MOVEMENT

● +0.6pp this period

Illustrative example: fictional project and parties.

20.8%

Opening blended margin, March close

21.4%

Closing blended margin, April close, against a 22.0% target

+0.6pp

Net movement, +£64k across six drivers

01

SUMMARY

What moved margin this month

The reported April margin gain is +£64k, moving the rate from 20.8% to 21.4%, within 0.6 points of the 22.0% target. The stated first positive month in three periods is reported history, not established by this two-period table. Whitmore's agreed change does not isolate its net margin contribution or a without-approval outcome.

Six drivers account for the change: three positive worth +£104k, led by variation recovery and subcontract outturn, and three negative worth -£40k, from prelim overrun, labour reallocation and disputed FM deductions. Each is set out in the waterfall and driver detail below.

HOW THIS RECONCILES

Opening margin of £1,204k (20.8%) plus the net movement of +£64k gives a closing margin of £1,268k (21.4%), the sum of +£104k of gains and -£40k of offsets. These are period margin figures, not the £14.2m portfolio value.

02

WATERFALL

The margin waterfall, March to April

Each driver's contribution to the £64k net movement, with the running margin balance carried from the March close to the April close. Positive drivers are grouped first, then the offsets.

BRIDGE STEP	WHAT DROVE IT	MOVEMENT	RUNNING MARGIN
Opening margin	March close · 20.8%	-	£1,204k
Variation recovery	Whitmore asbestos, Docklands and Kingsferry dayworks	+£68k	£1,272k
Subcontract outturn	Docklands steelwork re-tender, Whitmore tiling	+£24k	£1,296k
Other net adjustments	Materials credit, cost reclassification, Cathedral accrual	+£12k	£1,308k
Prelim overrun	Cathedral Quarter, two-week programme slip	-£18k	£1,290k
Labour reallocation	One-off cross-contract charges	-£14k	£1,276k
FM deductions	Riverside FM, two disputed SLA charges	-£8k	£1,268k
Closing margin	April close · 21.4%	+£64k	£1,268k

03

DRIVERS

Gains, offsets and the net position

The +£64k net movement is three gains worth +£104k set against three offsets worth -£40k. The +£68k variation driver combines several contracts. Whitmore's £62.4k agreed change value does not establish its isolated margin contribution or whether the gains and offsets will recur.

Gains +£104k Variation recovery +£68k · Subcontract outturn + £24k · Other net adjustments +£12k	Offsets –£40k Prelim overrun –£18k · Labour reallocation – £14k · FM deductions – £8k	Net movement +£64k Up 0.6 points to 21.4%, within 0.6 points of the 22.0% target. Earlier- period history remains unverified here.
---	--	--

04

CONTRACTS

Where each contract sits against target

The reported blended 21.4% covers eight contracts; four are below target, led by Kingsferry Crossing. The contract weights are not supplied here.

CONTRACT	REF	MARGIN	VS 22.0% TARGET	STATUS
Crestfield Phase 2	CRES-2	23.2%	+1.2pp	● Above target
Whitmore Tower	WHIT-T	22.8%	+0.8pp	● Above target
Docklands Phase 2	DOCK-2	22.4%	+0.4pp	● On target
Northgate Cat-B	NRTH-G	22.1%	+0.1pp	● On target
Bluewater Tower	BLUE-T	21.6%	–0.4pp	● Below target
Riverside FM	RIVR-FM	19.8%	–2.2pp	● Below target
Cathedral Quarter	CATH-Q	19.4%	–2.6pp	● Below target
Kingsferry Crossing	MERS-G	18.1%	–3.9pp	● Below target
Portfolio blended	8 contracts	21.4%	–0.6pp	Value-weighted

PRIORITY · KINGSFERRY CROSSING

Kingsferry (MERS-G) sits 3.9 points below target at 18.1% and carries the largest named WIP balance at £480k. Its re-measure is a commercial priority; the net effect on May margin requires assessment.

05

OUTLOOK

Implications and next steps

ILLUSTRATIVE RECOVERY SCENARIO

The reported 21.8% outlook, within 0.2 points of target, is conditional on agreement, costs and recoverability of the £482k pipeline and disputed deductions. The £601k blockers already comprise £387k aged WIP plus £214k CNI; these balances are non-additive. Clearing blockers supports billing, subject to payment, not proven cash collection.

REPORTED DOWNSIDE SCENARIO

The below-21% May scenario is not a measured prediction. Cathedral Quarter prelim exposure and ageing WIP need review. Aged WIP is £387k against £1.84m total (target £1.5m); future margin depends on the reconciled costs and recoveries.

Recorded actions and dates

9 May	Commercial Director to approve the Kingsferry Crossing re-measure for resubmission to the client.
15 May	Recorded target for a client decision on the submitted re-measure; entitlement and the applicable deadline need review.
23 May	Produce a standardised Riverside FM application template to close the evidence-gap deductions.
30 May	Next monthly margin review; review whether recovery has held and margin has moved toward target.

Illustrative recovery levers

LEVER	VALUE	ILLUSTRATIVE MARGIN EFFECT
Approve and recover the Kingsferry re-measure	£31k	+0.1pp
Convert the submitted variation pipeline	£236k	+0.2pp
Recover the Cathedral prelim exposure	£8k	+0.1pp
Reverse the disputed Riverside deductions	£8k	+0.0pp
Path from 21.4% toward 21.8%	£283k	+0.4pp

THE BOARD ASK

Review the proposed recovery actions, evidence, owners and dates. The £31k re-measure is part of Kingsferry's £146k submitted position, within the £236k submitted pipeline. The displayed £283k is gross arithmetic across overlapping levers, not a distinct recoverable balance or net benefit. The +0.4pp path needs a reconciled cost and margin assessment.

Whitmore's £62.4k is agreed change value, not an isolated net margin gain. The six-driver bridge records this month's movement; future margin and recurrence remain subject to costs, agreement and recoverability.

Reference MER-BRG-P7 Period April 2026 · Month 7 Basis March to April bridge