

Company No: 00977257

Birse Group Limited

Financial statements

for the year ended 31 December 2015



Birse Group Limited

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Birse Group Limited

Officers and professional advisers

Directors

A R Astin	Appointed 1 st February 2016
D A Bruce	Appointed 1 st June 2016
E Campbell	Resigned 31 st December 2015
S E Curl	Appointed 1 st February 2016, Resigned 31 st May 2016
P D England	

Company Secretary

Bnoms Limited
5 Churchill Place
London
E14 5HU

Registered office

5 Churchill Place
London
E14 5HU

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

Bankers

The Royal Bank of Scotland plc
250 Bishopsgate
London
EC2M 3AA

Birse Group Limited

Strategic Report

For the year ended 31 December 2015

The Directors present the strategic report of Birse Group Limited (the Company) for the year ended 31 December 2015. In preparing this strategic report, the directors have complied with section 414C of the Companies Act 2006.

Principal activities

The principal activity of the Company is that of an intermediate parent company of a group of companies whose principal activities during the year were building, civil and process engineering, plant hire and related service industry companies.

Business review

The results of the Company are as follows:

	<i>Year ended</i> 31 December 2015	<i>Year ended</i> 31 December 2014
	£'000	£'000
Profit / (Loss) for the financial year	396	(358)

As shown in the profit and loss account on page 7. The balance sheet on page 8 of the financial statements shows the Company's financial position at the end of the financial year. The net assets have increased due to group relief tax credits processed in the year.

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2015.

Principal risks and uncertainties

The Company's activities, together with the factors likely to affect its future development and position, are set out within this report. The Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Investments in group undertakings

The Company holds a number of investments in subsidiary companies. Although the Directors are satisfied that the recoverable amount of the investments are not less than their book value, there is a risk that in future periods the book value may become impaired.

Future developments and subsequent events

The Company has no significant future developments to report.

By order of the Board


A R ASTIN
Director
8 August 2016

Birse Group Limited

Directors' Report

For the year ended 31 December 2015

The Directors present their annual report on the affairs of the Company, together with the audited financial statements for the year ended 31 December 2015.

Information disclosed in the strategic report

The following information has been disclosed in the strategic report:

- Principal activities
- Business review
- Principal risks and uncertainties including going concern
- Future developments

Going Concern

These financial statements have been prepared on the going concern basis.

Whilst future trading performance and the availability of external borrowings within the group is inherently subject to uncertainty the directors have a reasonable and proper expectation that the company will continue to have adequate resources and that intercompany funds will continue to be available for foreseeable future. Having received written assurances of support from fellow group companies and having assessed the ability of these companies to provide this support, the directors have a reasonable and proper expectation that funds will be made available from the ultimate parent to enable the company to continue to satisfy liabilities as and when they fall due. Accordingly, the going concern basis has been adopted in these financial statements.

Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2015.

Events after the end of the reporting period

There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

Employees

The Company had no employees (2014: none), and incurred no related costs in the financial year (2014: £nil).

Political and charitable donations

The Company did not make any political or charitable donations during the year (2014: £nil).

Auditor

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

In accordance with Section 487 of the Companies Act 2006, Deloitte LLP has not been re-appointed as the Company's auditors. Following a competitive tender process, KPMG LLP have confirmed their willingness to be appointed as the Company's auditors for the year ending 31 December 2016.

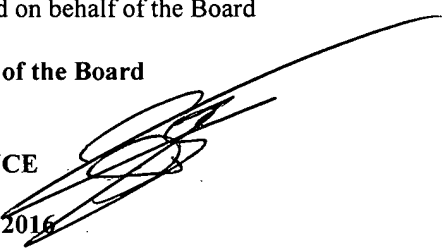
Approved by the Board of Directors
and signed on behalf of the Board

By order of the Board

D A BRUCE

Director

8 August 2016



Birse Group Limited
Directors' responsibilities statement
For the year ended 31 December 2015

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Birse Group Limited

Independent auditor's report to the members of Birse Group Limited

We have audited the financial statements of Birse Group Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Birse Group Limited

Independent auditor's report to the members of Birse Group Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Philip Doherty

Philip Doherty FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK

9 August 2016

Birse Group Limited
Profit and loss account
For the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Administrative expenses		-	-
Other operating income		-	-
		<hr/>	<hr/>
Operating profit/result		-	-
		<hr/>	<hr/>
Profit/result on ordinary activities before finance charges		-	-
Interest payable and similar charges	6	-	(319)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		-	(319)
Tax on profit/(loss) on ordinary activities	8	396	(39)
		<hr/>	<hr/>
Profit/(loss) for the financial year		396	(358)
		<hr/>	<hr/>
Total comprehensive income for the year attributable to the Owners of the Company		396	(358)
		<hr/>	<hr/>

The Company's operations in the current and prior year are continuing operations.

The company has no recognised gains and losses in the year other than those passing through the profit and loss account. Accordingly, a statement of comprehensive income has not been presented.

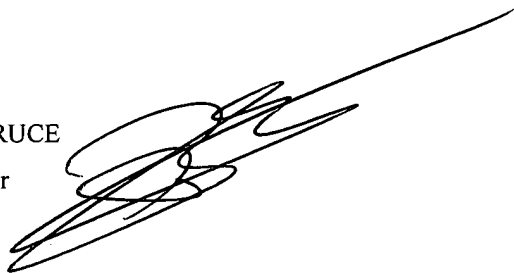
The notes on pages 10 to 18 form part of these financial statements.

Birse Group Limited
Balance sheet
At 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	9	785	796
Investments	10	50,680	50,680
		<u>51,465</u>	<u>51,476</u>
Current assets			
Debtors			
– due within one year	11	412	5
		<u>412</u>	<u>5</u>
Creditors: Amounts falling due within one year	12	<u>(137,474)</u>	<u>(137,474)</u>
Net current liabilities		<u>(137,062)</u>	<u>(137,469)</u>
Total assets less current liabilities		<u>(85,597)</u>	<u>(85,993)</u>
Creditors: Amounts falling due after more than one year		-	-
Net assets/ (liabilities)		<u>(85,597)</u>	<u>(85,993)</u>
Capital and reserves			
Called-up share capital	14	19,239	19,239
Share premium account		93	93
Special reserve		9,108	9,108
Profit and loss account		(114,037)	(114,433)
Total Shareholders' funds/(deficit)		<u>(85,597)</u>	<u>(85,993)</u>

The financial statements of Birse Group Limited (registered number 00977257) were approved by the board of directors and authorised for issue on 8 August 2016. They were signed on its behalf by:

D A BRUCE
Director



The notes on pages 10 to 18 form part of these financial statements.

Birse Group Limited
Statement of changes in equity
At 31 December 2015

	Called up share capital £'000	Share premium £'000	Special reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2014	19,239	93	9,108	(114,075)	(85,635)
Effect of restatement due to change in accounting framework (see note 18)	-	-	-	-	-
As restated	19,239	93	9,108	(114,075)	(85,635)
Profit for the period	-	-	-	(358)	(358)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(358)	(358)
Issue of share capital	-	-	-	-	-
Dividends	-	-	-	-	-
Balance at 31 December 2014	19,239	93	9,108	(114,433)	(85,993)
Profit for the period	-	-	-	396	396
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Dividends	-	-	-	-	-
Balance at 31 December 2015	19,239	93	9,108	(114,037)	(85,597)

Birse Group Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

Birse Group Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on pages 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The company meets the definition of a qualifying entity under FRS 100 issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the company has changed its accounting framework from UK GAAP to FRS 101 Reduced Disclosure Framework as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The prior year financial statements were re-stated for material adjustments on adoption of FRS 101 in the current year. For more information see note 18.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Balfour Beatty plc. Details of the parent in whose consolidated financial statements the company is included are shown in note 17 to the financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets, compensation paid to key management personnel and related party transactions with wholly-owned members of the Group headed by Balfour Beatty plc. Where required, equivalent disclosures are given in the group accounts of Balfour Beatty plc. The group accounts of Balfour Beatty plc are available to the public and can be obtained as set out in note 17.

Birse Group Limited
Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies (continued)

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Tangible Assets

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure associated with bringing the asset to its operating location and condition.

Except for land and assets in the course of construction, the cost or valuation of tangible fixed assets is depreciated over their expected useful lives on a straight-line basis at rates of 2% for buildings, between 10% to 20% for fixtures and fittings and between 20% - 33% for computer equipment.

Investments

Except as stated below, fixed asset investments, including investments in subsidiaries and associates, are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

Impairment of Investments

The Company reviews the recoverability of its investments annually. If the recoverable amount is less than the carrying value a provision is recognised. Determining the recoverable amount requires an estimate of fair value which is calculated by applying valuation multiples, considering available economic data, to an investment's trading results.

Tax – Current

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Tax – Deferred

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Birse Group Limited
Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Loans and Receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The judgements, estimates and assumptions that have the most significant effect on income and expenses and the carrying value of assets and liabilities of the Company as at 31 December 2015 are discussed below.

a) Taxation

The Company provides for future liabilities in respect of uncertain tax positions where additional tax may become payable in future periods and such provisions are based on management's assessment of exposures.

Deferred tax liabilities are generally provided for in full and deferred tax assets are recognised to the extent that it is judged probable that future taxable profit will arise against which the temporary differences will be utilised.

Birse Group Limited
Notes to the financial statements
For the year ended 31 December 2015

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

b) Impairment of investments

The Company reviews the recoverability of its investments annually. If the recoverable amount is less than the carrying value a provision is recognised. Determining the recoverable amount requires an estimate of fair value which is calculated by applying valuation multiples, considering available economic data, to an investment's trading results.

3. Auditor's remuneration

The audit fee of £Nil (2014: £Nil) for the audit of the company's accounts was borne by another group entity in both periods and was not recharged.

4. Staff costs

The Company had no employees and therefore has incurred no employment or pension costs for the year end or the preceding year.

5. Director costs

The Directors are employees of the Balfour Beatty Group and received no specific remuneration for their services towards the management of this Company in the current or prior year.

From 1 February 2013, Directors' remuneration is paid by Balfour Beatty Group Employment Limited.

6. Finance charges

	2015 £'000	2014 £'000
Interest payable and similar charges - Bank loans and overdrafts	-	319

7. Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):

	2015 £'000	2014 £'000
Depreciation of tangible fixed assets	11	11
	11	11

Birse Group Limited
Notes to the financial statements
For the year ended 31 December 2015

8. Tax on profit/(loss) on ordinary activities

The tax charge comprises:

	2015 £'000	2014 £'000
Current tax		
UK corporation tax	-	-
Adjustments in respect of prior years	(396)	39
Total current tax	<u>-</u>	<u>39</u>
Total deferred tax (see note 14)	<u>-</u>	<u>-</u>
Total tax on ordinary activities	<u>(396)</u>	<u>39</u>

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	2015 £'000	2014 £'000
Profit/(loss) on ordinary activities before tax	<u>-</u>	<u>(319)</u>
Tax on profit/(loss) on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.5%)	-	(69)
Effects of:		
Expenses not deductible	-	2
Adjustments to tax charge in respect of previous periods	(396)	39
Tax loss carried forward	<u>-</u>	<u>67</u>
Total tax charge / (credit) for period	<u>(396)</u>	<u>39</u>

Birse Group Limited
Notes to the financial statements
For the year ended 31 December 2015

9. Tangible fixed assets

	Freehold £'000	Total £'000
Cost or valuation		
At 1 January 2014	1,318	1,318
At 31 December 2014	1,318	1,318
Additions	-	-
Disposals	-	-
At 31 December 2015	1,318	1,318
Depreciation		
At 1 January 2014	511	511
Charge for the year	11	11
At 31 December 2014	522	522
Charge for the year	11	11
Impairment losses	-	-
Disposals	-	-
At 31 December 2015	533	533
Net book value		
At 31 December 2015	785	785
At 31 December 2014	796	796

Birse Group Limited
Notes to the financial statements
For the year ended 31 December 2015

10. Investments in subsidiaries

	Subsidiary undertakings £'000
Cost	
At 1 January 2014	145,765
At 31 December 2014	145,765
Additions	-
Reclassified to goodwill	-
At 31 December 2015	145,765
Provisions	
At 1 January 2014	95,085
At 31 December 2014	95,085
Disposals	-
Charged to profit and loss	-
At 31 December 2015	95,085
Net book value	
At 31 December 2015	50,680
At 31 December 2014	50,680

Interests in subsidiary undertakings

The company owns the whole of the issued share capital of the following subsidiaries:

Name of undertaking	Principal activities
Birse Construction Limited	Intermediate Holding co.
BPH Equipment Limited	Plant Hire
Traffic Flow Limited	Plant Hire
Birse Group Services Limited	Services
Birse Properties Limited	Dormant
Subsidiaries of Birse Construction Limited	
Birse Rail Limited	Contracting
Birse Metro Limited	Contracting
Balfour Beatty Engineering Solutions Limited	Contracting

All subsidiary undertakings are registered and operate in England.

Birse Group Limited
Notes to the financial statements
For the year ended 31 December 2015

11. Debtors

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	408	1
Deferred tax (note 13)	4	4
	<u>412</u>	<u>5</u>

12. Creditors – amounts falling due within one year

	2015 £'000	2014 £'000
Amounts due to Balfour Beatty plc	47,771	47,771
Amounts owed to group undertakings	89,703	89,703
	<u>137,474</u>	<u>137,474</u>

13. Deferred tax

	£'000
Deferred taxation	
At start of year	4
Charge for the year (note 8)	-
	<u>4</u>
At the end of year	<u>4</u>

The amount of deferred tax asset provided and unprovided in the accounts is:

	Provided 2015 £'000	2014 £'000
Capital allowances in excess of depreciation	4	4
Total deferred tax asset	<u>4</u>	<u>4</u>

Deferred tax assets of £169,647 (2014:£440,865) in respect of revenue losses and £52,120 (2014:£57,911) in respect of capital losses have not been recognised in the financial statements as at 31 December 2015 on the grounds that there is insufficient evidence that the assets will be recoverable.

The Finance (No.2) Act 2015 was enacted on 26 October 2015 implementing a reduction in the main UK corporation tax rate from 20% to 19% effective from 1 April 2017, with a further deduction of 1% to 18% from 1 April 2020. The March 2016 budget announced that the rate will be lowered by a further 1% to 17% with effect from 1 April 2020, this provision has not yet been enacted.

Birse Group Limited
Notes to the financial statements
For the year ended 31 December 2015

14. Called-up share capital

	2015 £'000	2014 £'000
Authorised:		
192,390,000 ordinary shares of 10p each	19,239	19,239
	<hr/>	<hr/>
	2015 £'000	2014 £'000
Allotted, called-up and fully-paid		
192,390,000 ordinary shares of 10p each	19,239	19,239
	<hr/>	<hr/>

15. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Share premium	Amount subscribed for share capital in excess of nominal value.
Profit and loss account	All other net gains and losses and transactions with owners (eg: dividends) not recognised elsewhere.
Special reserve	On 27 March 1996, upon the petition of the company, the High Court of Justice confirmed the cancellation of the share premium account of the company. As a result of an undertaking given by the company at that time, the special reserve arising in consequence of the aforementioned cancellation has to be regarded as non-distributable.

16. Subsequent events

There were no post balance sheet events.

17. Controlling party

The Company's ultimate parent company and controlling party is Balfour Beatty plc, which is registered in England and Wales. The only group in which the results of the Company are consolidated is that headed by Balfour Beatty plc. The consolidated financial statements of Balfour Beatty plc are available to the public and may be obtained from Balfour Beatty plc, 5 Churchill Place, Canary Wharf, London E14 5HU, and on the Balfour Beatty website: www.balfourbeatty.com.

18. Explanation of transition to FRS 101

This is the first time that the company has adopted FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council having previously applied applicable UK accounting standards.

No accounting policy changes were required upon transition from former UK GAAP to FRS 101. Accordingly, there is no difference between the equity at 1 January 2014 and 31 December 2014 and the profit for the year ended 31 December 2014 as previously stated under former UK GAAP and their equivalents as stated under FRS 101.