

Registration number: 00977257

Birse Group Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



Birse Group Limited

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Birse Group Limited

Director's Report for the Year Ended 31 December 2018

The Director presents the annual report of the affairs of the Company, together with the audited Financial Statements for the year ended 31 December 2018. The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and taking the exemption from preparing a Strategic Report.

Principal activity

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.

Financial statements and dividends

The audited financial statements of the Company appear on pages 7 to 15. The result for the year after tax was £Nil (2017: Nil). The Company did not pay a dividend (2017: £Nil).

Director of the company

The director, who held office during the year, was as follows:

D A Bruce

Going concern

The Company's parent company, Balfour Beatty Group Limited, has agreed to provide or procure adequate financial resources to allow the Company to meet its obligations as they fall due for a period of not less than twelve months from the date of signing the financial statements. At the balance sheet date the Company had net liabilities of £85,793k (2017: £85,793k).

The Director has also reviewed the available bank facilities and the future prospects of the Company. Based on this review and having made appropriate enquiries including enquiries of the Directors of Balfour Beatty Group Limited and considered the current market conditions, the Director considers it reasonable to assume that the Company has adequate resources to continue for the foreseeable future and, for this reason, has continued to adopt the going concern basis in preparing the financial statements.

Employment

The Company has no employees as they are employed by Balfour Beatty Group Employment Limited which was established as the employing entity for the Balfour Beatty Group's UK businesses.

Disclosure of information to the auditor

The director who held office at the date of approval of this Directors' Report confirm that, so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Birse Group Limited

Director's Report for the Year Ended 31 December 2018

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the director on 9 May 2019 and signed on its behalf by:



.....
D. A. Bruce
Director

Registered office 5 Churchill Place
Canary Wharf
London
E14 5HU

Birse Group Limited

Statement of Directors' Responsibilities in respect of the the Director's Report and the Financial Statements

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law he has elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the director must not approve the financial statements unless 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Birse Group Limited

Independent Auditor's Report to the Members of Birse Group Limited

Opinion

We have audited the financial statements of Birse Group Limited ("the company") for the year ended 31 December 2018, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its results for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The director has prepared the financial statements on the going concern basis as he does not intend to liquidate the company or to cease its operations, and as he has concluded that the company's financial position means that this is realistic. He has also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the director's conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Director's Report

The director is responsible for the Director's Report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Director's Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Director's Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Birse Group Limited

Independent Auditor's Report to the Members of Birse Group Limited

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the director was not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in his statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Birse Group Limited

Independent Auditor's Report to the Members of Birse Group Limited

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's member, 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 member 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 member, as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Willis (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square
Canary Wharf
London
E14 5GL

Date:.....

9/5/19

Birse Group Limited

Profit and Loss Account for the Year Ended 31 December 2018

	2018	2017
	£ 000	£ 000
Profit/(loss) before tax	<u>-</u>	<u>-</u>
Profit/(loss) for the year	<u><u>-</u></u>	<u><u>-</u></u>

There were no recognised gains or losses in the year other than those disclosed above. Accordingly no statement of comprehensive income is presented.

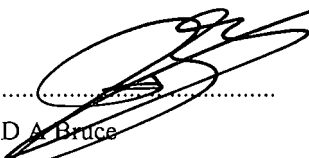
The above results were derived from continuing operations.

The notes on pages 10 to 15 form an integral part of these financial statements.

Birse Group Limited
(Registration number: 00977257)
Balance Sheet as at 31 December 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Investments	4	50,679	50,680
Creditors: Amounts falling due within one year	5	<u>(136,472)</u>	<u>(136,473)</u>
Net liabilities		<u>(85,793)</u>	<u>(85,793)</u>
Capital and reserves			
Called up share capital	6	19,239	19,239
Share premium reserve		93	93
Special reserve		9,108	9,108
Profit and loss account		<u>(114,233)</u>	<u>(114,233)</u>
Shareholders' deficit		<u>(85,793)</u>	<u>(85,793)</u>

These financial statements were approved by the director on 9 May 2019:


.....
D A Bruce
Director

Birse Group Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £ 000	Share premium £ 000	Special reserve £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2017	19,239	93	9,108	(114,233)	(85,793)
At 31 December 2017	19,239	93	9,108	(114,233)	(85,793)
	Share capital £ 000	Share premium £ 000	Special reserve £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2018	19,239	93	9,108	(114,233)	(85,793)
Profit/(loss) for the year	-	-	-	-	-
At 31 December 2018	19,239	93	9,108	(114,233)	(85,793)

The notes on pages 10 to 15 form an integral part of these financial statements.

Birse Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies

Birse Group Limited (the “Company”) is a private company incorporated, domiciled and registered in England in the UK. The registered number is 00977257 and the registered address is 5 Churchill Place, Canary Wharf, London, E14 5HU.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company’s ultimate parent undertaking, Balfour Beatty plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Balfour Beatty plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 5 Churchill Place, Canary Wharf, London, E14 5HU and on the Balfour Beatty website: www.balfourbeatty.com. They may be also viewed at the Companies House website at www.beta.companieshouse.gov.uk and via the National Storage Mechanism, which is located at www.morningstar.co.uk/uk/NSM.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Balfour Beatty plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Birse Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies (continued)

Going concern

As mentioned in the Directors Report, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements. The Company's parent company, Balfour Beatty Group Limited, has agreed to provide or procure adequate financial resources to allow the Company to meet its obligations as they fall due for a period of not less than twelve months from the date of signing the financial statements.

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.

Key accounting judgements

The following are the key accounting judgements that the Director has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Carrying value 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.

2 Information regarding directors and employees

The Company had no employees during the current or preceding year.

No emoluments were payable to the director of the Company during the current and preceding financial year.

3 Auditor's remuneration

In 2018, the audit fee payable for audit of the Company's annual accounts was borne by the ultimate parent.

Birse Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

4 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2017	145,765
At 31 December 2017	145,765
At 1 January 2018	145,765
Disposals	(17,728)
At 31 December 2018	128,037
Provision	
At 1 January 2017	95,085
At 31 December 2017	95,085
At 1 January 2018	95,085
Eliminated on disposals	(17,727)
At 31 December 2018	77,358
Carrying amount	
At 31 December 2018	50,679
At 31 December 2017	50,680

Details of the subsidiaries as at 31 December 2018 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Birse Construction Limited*	In liquidation	England Tower Bridge House, St. Katharines Way, London, Greater London, E1W 1DD	100%	100%
BPH Equipment Limited*	Plant Hire	England 5 Churchill Place, Canary Wharf, London, England, E14 5HU	100%	100%
Traffic Flow Limited*	Dissolved	England Tower Bridge House, St. Katharines Way, London, E1W 1DD	0%	100%

Birse Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

4 Investments (continued)

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Birse Group Services Limited*	Dissolved	England Tower Bridge House, St. Katharines Way, London, E1W 1DD	0%	100%
Birse Properties Limited*	Dissolved	England Tower Bridge House, St. Katharines Way, London, E1W 1DD	0%	100%
Birse Rail Limited	In liquidation	England 5 Churchill Place, Canary Wharf, London, England, E14 5HU	100%	100%
Birse Metro Limited	Contracting	England 5 Churchill Place, Canary Wharf, London, England, E14 5HU	100%	100%
Balfour Beatty Engineering Solutions Limited	Dissolved	England Tower Bridge House, St. Katharines Way, London, E1W 1DD	0%	100%

* Held directly by Birse Group Limited.

The indirect subsidiaries are held by Birse Construction Limited.

The Company's subsidiary, Birse Group Services Limited was liquidated and subsequently dissolved during the year. The Company held £1,000 share capital in Birse Group Services Limited and also had a amount payable to Birse Group Services Limited of £1,000. Upon liquidation the Company received a final distribution of £1,000 reducing its investment and payable to £nil.

The Company's subsidiary, Traffic Flow Limited was liquidated and subsequently dissolved during the year. The Company held £2 share capital in Traffic Flow Limited and also had an amount payable to Traffic Flow Limited of £2. Upon liquidation the Company received a final distribution of £2 reducing its investment and payable to £nil.

The Company's subsidiary, Birse Properties Limited was liquidated and subsequently dissolved during the year. The Company held no value in this subsidiary.

Birse Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

5 Trade and other creditors

	2018 £ 000	2017 £ 000
Amounts owed to group undertakings	<u>136,472</u>	<u>136,473</u>

Amounts owed to group undertakings are repayable on demand and are interest free.

6 Share capital

Allotted, called up and fully paid shares

	No. 000	2018 £ 000	No. 000	2017 £ 000
Ordinary shares of £0.10 each	<u>192,390</u>	<u>19,239</u>	<u>192,390</u>	<u>19,239</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

7 Related party transactions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to related party transactions between wholly-owned member companies of Balfour Beatty plc group.

8 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 reserve	The share premium account balances the difference between par value of a company's shares and the amount that the company actually received for newly issued shares. This reserve is not distributable.
Profit and loss account	All other net gains and losses and transactions with owners (e.g. 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.

9 Subsequent events

There were no post balance sheet events.

Birse Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

10 Parent and ultimate parent undertaking

The company's immediate parent is Balfour Beatty Group Limited.

The ultimate parent is Balfour Beatty plc.

The most senior parent entity producing publicly available financial statements is Balfour Beatty plc. These financial statements are available upon request from 5 Churchill Place, Canary Wharf, London, E14 5HU and on the Balfour Beatty website: www.balfourbeatty.com. They may be also viewed at the Companies House website at www.beta.companieshouse.gov.uk and via the National Storage Mechanism, which is located at www.morningstar.co.uk/uk/NSM.