

Mabey Engineering (Holdings) Limited

Report and Financial Statements

30 September 2005



Mabey Engineering (Holdings) Limited

Registered No: 1560295

Directors

D G Mabey
S M Precious

Secretary

Mabey Holdings Limited

Auditors

Ernst & Young LLP
PO Box 61
Cloth Hall Court
14 King Street
Leeds
LS1 2JN

Bankers

Barclays Bank PLC
4th Floor
Apex Plaza
Forbury Road
Reading
RG1 1AX

Registered Office

Mabey House
Floral Mile
Twyford
Reading
RG10 9SQ

Directors' report

The directors present their report and the accounts for the year ended 30 September 2005.

Results and dividends

The profit for the year after tax amounts to £20,797,070 (2004 - £17,040,090). Interim dividends of £20,800,000 (2004 - £18,495,000) have been paid in the year.

Directors and their interests

The present directors of the company, who served throughout the year, are shown on page 1.

According to the register maintained as required under the Companies Act 1985, neither of the directors who held office at the year end had any interest in the share capital of the company.

Mr D G Mabey and Ms S M Precious are directors of the ultimate parent undertaking, Mabey Holdings Limited, and their interests in the share capital of that company are shown in its accounts.

Share capital

During the year the company's authorised share capital was increased to 30,000,000 ordinary shares of £1 each, and 6,558,000 ordinary shares were issued to the parent undertaking.

Auditors

In accordance with Section 386 of the Companies Act 1985, the company in general meeting has adopted a resolution to dispense with the obligation to appoint auditors annually.

By order of the board.



S M Precious
Director

12 December 2005

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Independent auditors' report

to the members of Mabey Engineering (Holdings) Limited

We have audited the company's financial statements for the year ended 30 September 2005 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of Mabey Engineering (Holdings) Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Leeds

13 December 2005

Profit and loss account

for the year ended 30 September 2005

	Notes	2005 £	2004 £
Dividends receivable from subsidiary undertakings		20,800,000	16,835,000
Interest receivable	4	15,370	292,988
Interest payable to group undertakings		(19,556)	-
Profit on ordinary activities before taxation	3	20,795,814	17,127,988
Tax on profit on ordinary activities	5	(1,256)	87,898
Profit on ordinary activities after taxation		20,797,070	17,040,090
Dividends	6	20,800,000	18,495,000
Deficit for the year		(2,930)	(1,454,910)

There are no recognised gains or losses other than the profit of the company of £20,797,070 in the year ended 30 September 2005 (2004 – £17,040,090).

Statement of movement on reserves and reconciliation of movements in shareholders' funds

	Share capital £	Profit and loss account £	Total shareholders' funds £
Balance at 30 September 2003	23,442,000	5,644,016	29,086,016
Profit attributable to members of the company	-	17,040,090	17,040,090
Dividends	-	(18,495,000)	(18,495,000)
Balance at 30 September 2004	23,442,000	4,189,106	27,631,106
Issue of shares	6,558,000	-	6,558,000
Profit attributable to members of the company	-	20,797,070	20,797,070
Dividends	-	(20,800,000)	(20,800,000)
Balance at 30 September 2005	30,000,000	4,186,176	34,186,176

Balance sheet

at 30 September 2005

	Notes	2005 £	2004 £
Fixed assets			
Investment	7	32,665,525	20,075,525
Current assets			
Debtors	8	8,846	7,349,091
Cash at bank and in hand		1,511,806	294,387
		1,520,652	7,643,478
Creditors: amounts falling due within one year	9	1	87,897
Net current assets		1,520,651	7,555,581
Total assets less current liabilities		34,186,176	27,631,106
Capital and reserves			
Called up share capital	11	30,000,000	23,442,000
Profit and loss account		4,186,176	4,189,106
Equity shareholders' funds		34,186,176	27,631,106



S M Precious - Director

12 December 2005

Notes to the accounts

at 30 September 2005

1. Group accounts

Group accounts are not prepared as the company is a wholly owned subsidiary undertaking of Mabey Holdings Limited.

2. Accounting policies

Basis of preparation

The accounts are prepared under the historical cost convention. The accounts are prepared in accordance with applicable accounting standards.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- (i) Provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets with no likely subsequent rollover or available capital losses.
- (ii) Provision is made for gains on revalued fixed assets only where there is a commitment to dispose of the revalued assets and the attributable gain can neither be rolled over or eliminated by capital losses,
- (iii) Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Related party transactions

The company has taken advantage of the exemption in FRS 8 not to disclose transactions with fellow group undertakings where more than 90 per cent of the voting rights are controlled within the group.

3. Profit on ordinary activities before taxation

This is stated after charging:

	2005	2004
	£	£
Director's remuneration	-	-

There were no employees in the year other than the directors.

Notes to the accounts

at 30 September 2005

4. Interest receivable

	2005	2004
	£	£
Bank interest	15,370	-
Interest receivable from group undertakings	-	292,988
	<u>15,370</u>	<u>292,988</u>

5. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax (credit)/charge is made up as follows:

	2005	2004
	£	£
Current tax		
Corporation tax	(1,256)	87,896
Amounts under-provided in prior years	-	2
Total current tax (Note 4(b)) and tax on profit on ordinary activities	<u>(1,256)</u>	<u>87,898</u>

(b) Factors affecting current tax (credit)/charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax of 30% (2004 - 30%). The differences are reconciled below:

	2005	2004
	£	£
Profit on ordinary activities before taxation	20,795,814	17,127,988
Profit on ordinary activities multiplied by standard rate of corporation taxation of 30% (2004 - 30%)	6,238,744	5,138,396
Distributions receivable from subsidiary undertakings	(6,240,000)	(5,050,500)
Amounts under-provided in prior years	-	2
Current tax (credit)/charge	<u>(1,256)</u>	<u>87,898</u>

(c) Factors that may affect future tax changes

There are no factors which, in the opinion of the directors, may significantly affect future tax charges.

6. Dividends

	2005	2004
	£	£
Interim dividends paid of £0.69 (2004 - £0.79) per share	20,800,000	18,495,000

Notes to the accounts

at 30 September 2005

7. Investments

	£
Shares in subsidiary undertakings at cost	
At 30 September 2004	20,075,525
Additions	12,590,000
At 30 September 2005	<u>32,665,525</u>

During the year the company subscribed for additional share capital in certain of its subsidiary undertakings.

The subsidiary undertakings at 30 September 2005 were:

Name of Company	Nature of business
Mabey and Johnson Limited	Sale and hire of steel fabrication
Mabey Bridge & Shore Inc.*	Sale of and hire of steel fabrication and non-mechanical plant
Mabey Bridging (Americas) Limited*	Sale of steel fabrications and non-mechanical plant
Fairfield-Mabey Limited	Structural steelwork
Mabey Hire Limited	Hire and sale of non-mechanical plant
Mabey Support Systems Limited	Hire of support structures
Mabey Scandinavia Holding AB	Intermediate holding company
Mabey Scandinavia AB*	Sale and hire of steel fabrications
Mabey Scandinavia Fabrication AB*	Sale of steel fabrications
Mabey Bridge Limited	Non-trading
David Murray (Non Mechanical Plant) Limited*	Non-trading

* owned by subsidiary undertakings

All holdings are of ordinary shares and all subsidiary undertakings were wholly owned at 30 September 2005. Mabey Bridge & Shore Inc. is incorporated in the United States of America. Mabey Scandinavia Holding AB, Mabey Scandinavia AB and Mabey Scandinavia Fabrication AB are incorporated in Sweden.

8. Debtors

	2005	2004
	£	£
Amounts owed by group undertakings	-	7,349,091
Taxation recoverable	3,256	-
Prepayments and accrued income	5,590	-
	<u>8,846</u>	<u>7,349,091</u>

Notes to the accounts

at 30 September 2005

9. Creditors: amounts falling due within one year

	2005	2004
	£	£
Corporation tax	-	87,896
Other creditors	1	1
	<u>1</u>	<u>87,897</u>

10. Deferred taxation

No provision for deferred taxation arises from these accounts. Deferred taxation not provided is as follows:

	2005	2004
	£	£
Losses	(673,000)	(693,000)

11. Called up share capital

	Authorised		Allotted, called up and fully paid	
	2005	2004	2005	2004
	No	No	£	£
Ordinary shares of £1 each	30,000,000	25,000,000	30,000,000	23,442,000

During the year the company's authorised share capital was increased to 30,000,000 ordinary shares of £1 each, and 6,558,000 ordinary shares were issued at par value.

12. Parent undertaking and ultimate parent company

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is Mabey Holdings Limited, registered in England and Wales, which is also the company's ultimate parent company and controlling party.