

Mabey Engineering (Holdings) Limited

Report and Accounts

30 September 1997



Mabey Engineering (Holdings) Limited

Registered No. 1560295

DIRECTORS

D G Mabey
S M Precious

SECRETARY

Mabey Holdings Limited

AUDITORS

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

REGISTERED OFFICE

Mabey House
Floral Mile
Twyford
Reading
RG10 9SQ

Mabey Engineering (Holdings) Limited

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 30 September 1997.

RESULTS AND DIVIDENDS

The profit for the year amounts to £3,571,585 and is dealt with as shown in the profit and loss account.

EVENTS AFTER THE BALANCE SHEET DATE

On 4 November 1997 the company acquired the whole of the issued share capital of David Murray (Non Mechanical Plant) Limited for a consideration of £900,000.

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.

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



11 December 1997

Mabey Engineering (Holdings) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements.

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 accounts 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.

REPORT OF THE AUDITORS

to the members of Mabey Engineering (Holdings) Limited

We have audited the accounts on pages 5 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

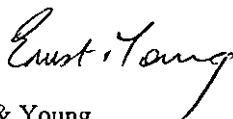
Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 September 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Leeds

11 December 1997

Mabey Engineering (Holdings) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 1997

	<i>Notes</i>	<i>1997</i> £	<i>1996</i> £
INCOME	3	3,500,000	7,500,000
Decrease in provision for deficit in subsidiary undertakings		71,585	353,109
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	3,571,585	7,853,109
Tax on profit on ordinary activities	5	-	1,500,000
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,571,585	6,353,109
Dividends	6	-	6,000,000
RETAINED PROFIT FOR THE YEAR		3,571,585	353,109

There are no recognised gains or losses other than the profit of the company of £3,571,585 in the year ended 30 September 1997 (1996 - £6,353,109).

STATEMENT OF MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<i>Share capital</i> £	<i>Profit and loss account</i> £	<i>Total shareholders' funds</i> £
Balance at 1 October 1995	23,442,000	153,183	23,595,183
Profit attributable to members of the company	-	6,353,109	6,353,109
Dividends	-	(6,000,000)	(6,000,000)
Balance at 30 September 1996	23,442,000	506,292	23,948,292
Profit attributable to members of the company	-	3,571,585	3,571,585
Balance at 30 September 1997	23,442,000	4,077,877	27,519,877

Mabey Engineering (Holdings) Limited

BALANCE SHEET

at 30 September 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Investments	7	21,518,983	21,447,398
CURRENT ASSETS			
Debtors	8	6,000,000	2,500,000
Cash at bank and in hand		894	894
		6,000,894	2,500,894
TOTAL ASSETS LESS CURRENT LIABILITIES		27,519,877	23,948,292
CAPITAL AND RESERVES			
Called up share capital	9	23,442,000	23,442,000
Profit and loss account		4,077,877	506,292
		27,519,877	23,948,292

S M Precious - Director



11 December 1997

Mabey Engineering (Holdings) Limited

NOTES TO THE ACCOUNTS

at 30 September 1997

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.

3. INCOME

	1997 £	1996 £
Dividends receivable from subsidiary undertakings	3,500,000	7,500,000

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	1997 £	1996 £
Directors' remuneration	-	-

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

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge based on the profit for the year comprises:

	1997 £	1996 £
Tax on franked investment income	-	1,500,000

6. DIVIDENDS

	1997 £	1996 £
Interim dividends paid of 0.0p per share (1996 - 25.6p per share)	-	6,000,000

Mabey Engineering (Holdings) Limited

NOTES TO THE ACCOUNTS

at 30 September 1997

7. INVESTMENTS

Shares in subsidiary undertakings

£

Cost:

At 1 October 1996 and 30 September 1997

22,939,169

Provisions:

At 1 October 1996

1,491,771

Decrease in provisions during the year

(71,585)

At 30 September 1997

1,420,186

Net book value:

At 30 September 1997

21,518,983

At 1 October 1996

21,447,398

The subsidiary undertakings at 30 September 1997 were:

Name of Company

Nature of business

Mabey and Johnson Limited

Sale and hire of steel fabrications

Mabey Bridge & Shore Inc.*

Sale and hire of steel fabrications

Mabey Bridging (Americas) Limited*

Sale and hire of steel fabrications

Fairfield-Mabey Limited

Structural steelwork

Mabey Hire Limited

Hire and sale of non-mechanical plant

Mabey Support Systems Limited

Hire of support structures

Morgan Platts Limited

Manufacture of drop forgings

Mabey Construction Co. Limited

Construction contracting

Mabey Bridge Limited*

Non-trading

* owned by subsidiary undertakings

All holdings are of ordinary shares and all subsidiary undertakings were wholly owned at 30 September 1997. Mabey Bridge & Shore Inc. is incorporated in the United States of America.

8. DEBTORS

1997

1996

£

£

Amounts owed by group undertakings

6,000,000

2,500,000

Mabey Engineering (Holdings) Limited

NOTES TO THE ACCOUNTS

at 30 September 1997

9. CALLED UP SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>1997</i>	<i>1996</i>	<i>1997</i>	<i>1996</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	25,000,000	25,000,000	23,442,000	23,442,000

10. POST BALANCE SHEET EVENT

On 4 November 1997 the company acquired the whole of the issued share capital of David Murray (Non Mechanical Plant) Limited for a consideration of £900,000.

11. 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.