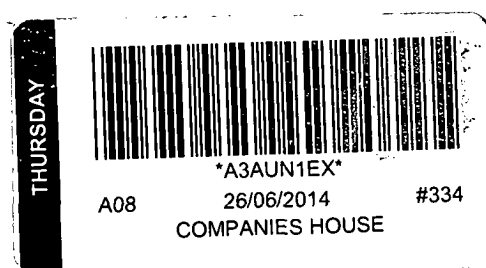


Registered No 1560295

# Mabey Engineering (Holdings) Limited

## Report and Financial Statements

30 September 2013



# Mabey Engineering (Holdings) Limited

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Registered No: 1560295

## **Directors**

P Lloyd  
J N Stacey  
E G Wilcox

## **Secretary**

Mabey Holdings Limited

## **Auditors**

Ernst & Young LLP  
1 Bridgewater Place  
Water Lane  
Leeds  
LS11 5QR

## **Bankers**

Barclays Bank PLC  
4<sup>th</sup> Floor  
Apex Plaza  
Forbury Road  
Reading  
RG1 1AX

## **Registered Office**

Mabey House  
Floral Mile  
Twyford  
Reading  
RG10 9SQ

Registered No: 1560295

## Directors' report

The directors present their financial statements and the accounts for the year ended 30 September 2013.

### Results

The loss for the year after tax amounts to £222,142 (2012 – Profit of £1,894,830).

### Principal activity

The principal activity of the company is that of an intermediate holding company.

### Directors

The present directors of the company are shown on page 1.

J N Stacey was appointed on 14 November 2012.

### Disclosure of information to the auditors

As at the date of this report, as far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken such steps as he should have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

Ernst & Young LLP are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

The directors have taken advantage of the small companies exemption provided by Section 414B of the Companies Act 2006 not to provide a Strategic Report.

By order of the board.



J N Stacey  
Director

6<sup>th</sup> February 2014

## **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Directors' Report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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 proper 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.

# **Independent auditors' report**

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

We have audited the financial statements of Mabey Engineering (Holdings) Limited for the year ended 30 September 2013 which comprise the Profit and loss account, the Balance sheet, and the related notes 1 to 14. 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).

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 auditors**

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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 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 Report and Financial Statements to identify material inconsistencies with the audited financial statements. 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 30 September 2013 and of its loss 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 matter prescribed by the Companies Act 2006**

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

## Independent auditors' report

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

### 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; or
- the directors were not entitled to take advantage of the small companies' exemption in not preparing the Strategic Report.

*Ernst & Young LLP*

P R Buckler (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP (Statutory Auditor)  
Leeds

*6<sup>th</sup> February* 2014

## Profit and loss account

for the year ended 30 September 2013

	Notes	2013 £	2012 £
Administrative expenses		(56,773)	(87,223)
Dividends received from subsidiary undertakings		2,610,890	34,687,096
Provision against subsidiary undertakings	7	(1,067,881)	(30,296,300)
Interest receivable and similar income	4	39,611	28,418
Interest payable and similar charges	5	(2,334,845)	(3,277,609)
<b>(Loss)/profit on ordinary activities before taxation</b>	3	<b>(808,998)</b>	<b>1,054,382</b>
Tax on (loss)/profit on ordinary activities	6	(586,856)	(840,448)
<b>(Loss)/profit on ordinary activities after taxation</b>	13	<b>(222,142)</b>	<b>1,894,830</b>

All activities relate to continuing operations.

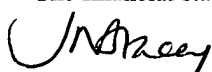
There are no recognised gains or losses other than the loss of £222,142 in the year ended 30 September 2013 (2012 – profit of £1,894,830)

# Balance sheet

at 30 September 2013

	Notes	2013 £	2012 £
<b>Fixed assets</b>			
Investments	7	159,355,581	155,007,702
<b>Current assets</b>			
Debtors	8	665,972	419,957
Cash at bank and in hand		3,303,046	2,118,366
		3,969,018	2,538,323
<b>Creditors: amounts falling due within one year</b>	9	4,226	3,510
<b>Net current assets</b>		3,964,792	2,534,813
<b>Total assets less current liabilities</b>		163,320,373	157,542,515
<b>Creditors: amounts falling due after more than one year</b>	10	41,000,000	35,000,000
		122,320,373	122,542,515
<b>Capital and reserves</b>			
Called up share capital	12	110,000,000	110,000,000
Profit and loss account	13	12,320,373	12,542,515
<b>Shareholders' funds</b>	13	122,320,373	122,542,515

The financial statements were approved for issue by the board of directors and signed on its behalf by:



J N Stacey Director

6<sup>th</sup> February 2014



## Notes to the financial statements

at 30 September 2013

### 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.

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

#### *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 nor 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 as it is a wholly owned subsidiary undertaking of Mabey Holdings Limited.

#### *Cash flow statement*

The company has taken advantage of the exemption conferred under FRS 1 (revised) from presenting its own cash flow statement as it is a wholly owned subsidiary undertaking of Mabey Holdings Limited.

## Notes to the financial statements

at 30 September 2013

### 3. Profit on ordinary activities before taxation

This is stated after charging:

	2013 £	2012 £
Directors' remuneration	-	-

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

The number of directors to whom retirement benefits were accruing in respect of qualifying service under the group's pension schemes was:

	2013 No.	2012 No.
Money purchase scheme	2	2

Auditors' remuneration:

The remuneration of the auditors for the audit of the financial statements amounted to £3,500 (2012 - £1,000). Non-audit fees relating to taxation services amounted to £701 (2012 - £5,610).

### 4. Interest receivable and similar income

	2013 £	2012 £
Bank interest receivable	39,611	28,418

### 5. Interest payable and similar charges

	2013 £	2012 £
Interest payable to group undertakings	2,334,845	3,277,609

# Notes to the financial statements

at 30 September 2013

## 6. Tax on loss on ordinary activities

### (a) Tax on loss/profit on ordinary activities

The tax credit is made up as follows:

	2013 £	2012 £
<b>Current tax</b>		
Corporation tax and total current tax	(552,689)	(833,897)
Over-provided in prior years	(34,167)	(6,551)
Total current tax (note 6(b))	<u>(586,856)</u>	<u>(840,448)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
Tax on loss/profit on ordinary activities	<u>(586,856)</u>	<u>(840,448)</u>

### (b) Factors affecting current tax credit

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax of 23.5% (2012 – 25%). The differences are reconciled below:

	2013 £	2012 £
(Loss)/profit on ordinary activities before taxation	(808,998)	1,054,382
Profit on ordinary activities multiplied by standard rate of corporation taxation of 23.5% (2012 – 25%)	<u>(190,033)</u>	<u>263,596</u>
Dividends received from subsidiary undertakings	(613,523)	(8,671,774)
Expenses not allowed for tax	-	206
Provision against subsidiary undertakings not taxable	250,867	7,574,075
(Over)-provided in prior years	(34,167)	(6,551)
Current tax credit	<u>(586,856)</u>	<u>(840,448)</u>

### (c) Factors that may affect future tax changes

The Chancellor announced in the 2013 budget on 20 March 2013 that the standard rate of corporation tax from 1 April 2014 would be reduced from the expected rate of 22% to 21%. A further reduction to 20% will take effect from 1 April 2015. Both the 21% and 20% rates were enacted at the balance sheet date.

## Notes to the financial statements

at 30 September 2013

### 7. Investments

	£
<i>Shares in subsidiary undertakings</i>	
Cost:	
At 1 October 2012	195,095,705
Increase in investments in subsidiary undertakings	5,415,760
At 30 September 2013	200,511,465
Provisions:	
At 1 October 2012	40,088,003
Charge for the year	1,067,881
At 30 September 2013	41,155,884
Net book value:	
At 30 September 2013	159,355,581
At 1 October 2012	155,007,702

The subsidiary undertakings at 30 September 2013 were:

<i>Name of Company</i>	<i>Nature of business</i>
Mabey Bridge Limited	Sale of steel fabrication and structural steel work
Mabey Bridge Pty Limited*	Sale of steel fabrication and structural steel work
Mabey Hire Limited	Hire and sale of non-mechanical plant and support structures
Mabey Hire International Limited	Provision of management services
Mabey and Johnson Limited	Provision of management services
Fairfield-Mabey Limited	Provision of management services
Park Crann Limited	Dormant
Veteran Hill Limited	Dormant
Mabey Bridging (Americas) Limited	Sale of steel fabrications and non-mechanical plant
Mabey Inc.*	Sale of and hire of steel fabrication and non-mechanical plant
Mabey Engineering Australia (Holdings) Pty Limited	
Mabey Hire Pty Limited*	
Mabey Hire NZ Limited*	

\* owned by subsidiary undertakings

All holdings are of ordinary shares. Other than Mabey Engineering Australia (Holdings) Pty Limited, Mabey Hire Pty Limited and Mabey Hire NZ Limited which are 75% owned by the company, all subsidiary undertakings were wholly owned at 30 September 2013. Mabey Inc. is incorporated in the United States of America, Mabey Bridge Pty Limited, Mabey Engineering Australia (Holdings) Pty Limited and Mabey Hire Pty Limited are incorporated in Australia, and Mabey Hire NZ Limited is incorporated in New Zealand.

## Notes to the financial statements

at 30 September 2013

### 8. Debtors

	2013	2012
	£	£
Amounts due from group undertakings	-	4,035
Taxation recoverable	278,689	415,897
Other debtors	387,283	25
	<u>665,972</u>	<u>419,957</u>

### 9. Creditors: amounts falling due within one year

	2013	2012
	£	£
Accruals and deferred income	4,225	3,510
Corporation tax	1	-
	<u>4,226</u>	<u>3,510</u>

### 10. Creditors: amounts falling due after more than one year

	2013	2012
	£	£
Amounts due to parent undertaking	41,000,000	35,000,000
	<u>41,000,000</u>	<u>35,000,000</u>

### 11. Deferred taxation

No provision for deferred taxation arises from these accounts and there is no potential provision for deferred taxation.

### 12. Called up share capital

	<i>Allotted, called up and fully paid</i>	
	2013	2012
	£	£
Ordinary shares of £1 each	110,000,000	110,000,000
	<u>110,000,000</u>	<u>110,000,000</u>

## Notes to the financial statements

at 30 September 2013

### 13. Statement of movement 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 30 September 2011	110,000,000	13,647,685	123,647,685
Shares issued in the year	-	-	-
Profit for the year	-	1,894,830	1,894,830
Actuarial gain recognised in the pension scheme	-	-	-
Dividends Paid	-	(3,000,000)	(3,000,000)
Balance at 30 September 2012	110,000,000	12,542,515	122,542,515
Loss for the year	-	(222,142)	(222,142)
Balance at 30 September 2013	110,000,000	12,320,373	122,320,373

### 14. Parent undertaking and ultimate parent company

The parent undertaking of the group of undertakings for which group financial statements 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.