

Registration number: 01560295

# Mabey Engineering (Holdings) Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2015

WEDNESDAY



\*A4MVQMDM\*

A23

23/12/2015

#658

COMPANIES HOUSE

## **Mabey Engineering (Holdings) Limited**

### **Contents**

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Auditor's report to the members of Mabey Engineering (Holdings) Limited	4 to 5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8 to 14

**Mabey Engineering (Holdings) Limited**  
**Company Information**

<b>Directors</b>	E G Wilcox J N Stacey
<b>Company secretary</b>	Mabey Holdings Limited
<b>Registered office</b>	One Valpy 20 Valpy Street Reading Berkshire RG1 1AR
<b>Banker</b>	Barclays Bank PLC Bristol Bridgewater House Counterslip Finzels Reach Bristol Avon BS1 6BX
<b>Auditor</b>	KPMG LLP Arlington Business Park Theale Reading RG7 4SD

**Mabey Engineering (Holdings) Limited**  
**Directors' Report for the Year Ended 30 September 2015**

The directors present their report and the financial statements for the year ended 30 September 2015.

**Directors of the company**

The directors who held office during the year were as follows:

E G Wilcox

J N Stacey

**Principal activity**

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

**Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

**Appointment of auditors**

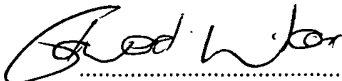
During the year, the Audit Committee instigated a review of the audit engagement. A competitive tender, involving a number of large and medium sized firms, resulted in Ernst and Young LLP being replaced by KPMG LLP

A resolution to reappoint KPMG LLP as auditor will be put to the members at the Annual General Meeting.

**Small company provisions statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 8/12/15 and signed on its behalf by:



.....  
E G Wilcox  
Director

Mabey Engineering (Holdings) Limited  
One Valpy  
20 Valpy Street  
Reading  
Berkshire  
RG1 1AR

## **Mabey Engineering (Holdings) Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Directors' 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 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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements 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 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.

## **Auditor's 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 2015, set out on pages 6 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 auditor**

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 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the 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 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 matter prescribed by the Companies Act 2006**

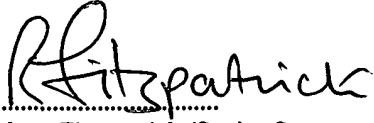
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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 from the requirement to prepare a strategic report.

**Auditor's report to the members of Mabey Engineering (Holdings) Limited (continued)**



.....  
**Robert Fitzpatrick (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**

Arlington Business Park  
Theale  
Reading  
RG7 4SD

Date: 17 December 2015

**Mabey Engineering (Holdings) Limited**  
**Profit and Loss Account for the Year Ended 30 September 2015**

	Note	2015 £	2014 £
Administrative expenses		<u>(50,621)</u>	<u>(28,820)</u>
Operating loss		(50,621)	(28,820)
Provision against investment in subsidiary undertakings	7	(41,270,700)	-
Income from shares in group undertakings		46,998,843	5,500,000
Other interest receivable and similar income	4	3,194	6,481
Interest payable and similar charges	5	<u>(2,053,500)</u>	<u>(2,033,600)</u>
Profit on ordinary activities before taxation		3,627,216	3,444,061
Tax on profit on ordinary activities	6	<u>430,493</u>	<u>451,696</u>
Profit for the financial year	13	<u><u>4,057,709</u></u>	<u><u>3,895,757</u></u>

Turnover and operating profit derive wholly from continuing operations.

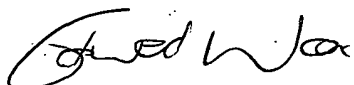
The company has no recognised gains or losses for the year other than the results above.



**Mabey Engineering (Holdings) Limited**  
**(Registration number: 01560295)**  
**Balance Sheet as at 30 September 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Investments	7	118,804,802	159,355,579
<b>Current assets</b>			
Debtors	8	984,203	847,549
Cash at bank and in hand		<u>1,484,859</u>	<u>3,014,027</u>
		2,469,062	3,861,576
Creditors: Amounts falling due within one year	9	<u>(25)</u>	<u>(1,025)</u>
Net current assets		<u>2,469,037</u>	<u>3,860,551</u>
Total assets less current liabilities		121,273,839	163,216,130
Creditors: Amounts falling due after more than one year	10	<u>-</u>	<u>(37,000,000)</u>
Net assets		<u>121,273,839</u>	<u>126,216,130</u>
<b>Capital and reserves</b>			
Called up share capital	11	110,000,000	110,000,000
Profit and loss account	13	<u>11,273,839</u>	<u>16,216,130</u>
Shareholders' funds	14	<u>121,273,839</u>	<u>126,216,130</u>

Approved and authorised by the Board on 8/12/15 and signed on its behalf by:



.....  
E G Wilcox  
Director

# Mabey Engineering (Holdings) Limited

## Notes to the Financial Statements

### 1 Accounting policies

#### **Basis of preparation**

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

The principal accounting policies are set out below:

#### **Exemption from preparing a cash flow statement**

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

#### **Exemption from preparing group accounts**

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

#### **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 of Mabey Holdings Limited.

#### **Going concern**

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

#### **Investment in subsidiary undertakings**

Fixed asset investments are stated at historical cost less provision for any diminution in value.

### 2 Auditor's remuneration

	2015 £	2014 £
Audit of the financial statements - KPMG LLP	-	-
Audit of the financial statements - Ernst & Young LLP	-	1,000

Auditor's remuneration for the 2015 financial statements is being paid by the main holdings entity.

**Mabey Engineering (Holdings) Limited**  
**Notes to the Financial Statements (continued)**

**3 Directors' remuneration**

The directors' remuneration for the year was £nil (2014 - £nil).

There were no employees in the year other than the directors. The directors of the company are also the directors or officers of other companies within the group. The directors' services to the company do not occupy a significant amount of time and are considered incidental. As such the directors do not consider that they receive any remuneration for their services from the company for the year ended 30 September 2015.

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

**4 Other interest receivable and similar income**

	2015 £	2014 £
Bank interest receivable	<u>3,194</u>	<u>6,481</u>

**5 Interest payable and similar charges**

	2015 £	2014 £
Interest on loans from group undertakings	<u>2,053,500</u>	<u>2,033,600</u>

**Mabey Engineering (Holdings) Limited**  
**Notes to the Financial Statements (continued)**

**6 Taxation**

**Tax on profit on ordinary activities**

	2015 £	2014 £
<b>Current tax</b>		
Corporation tax charge	(430,661)	(451,695)
Adjustments in respect of previous years	168	(1)
UK Corporation tax	<u>(430,493)</u>	<u>(451,696)</u>

**Factors affecting current tax charge for the year**

The tax on profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK (2014 - lower than the standard rate of corporation tax in the UK) of 20.5% (2014 - 21.99%).

The differences are reconciled below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>3,627,216</u>	<u>3,444,061</u>
Corporation tax at standard rate	743,528	757,431
Other timing differences	14	-
Expenses not deductible for tax purposes	8,459,916	837
Adjustment for prior periods	168	(1)
Dividends from UK companies	<u>(9,634,119)</u>	<u>(1,209,963)</u>
Total current tax	<u>(430,493)</u>	<u>(451,696)</u>

**Factors that may affect future tax charges**

The standard rate of corporation tax in the UK reduced from 22% to 21% from 1 April 2014 and a further reduction to 20% will take effect from 1 April 2015. The 20% rate was enacted at the balance sheet date. Further changes to the UK corporation tax rate were announced in the Chancellor's Budget on 8 July 2015. These included reductions in the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As these changes had not been substantively enacted at the balance sheet date, their effects are not included in these financial statements.

**Mabey Engineering (Holdings) Limited**  
**Notes to the Financial Statements (continued)**

**7 Investments held as fixed assets**

	2015 £	2014 £
Shares in group undertakings and participating interests	<u>118,804,802</u>	<u>159,355,579</u>
<b>Shares in group undertakings and participating interests</b>		
		<b>Subsidiary undertakings £</b>
<b>Cost</b>		
At 1 October 2014		166,873,465
Additions		<u>719,923</u>
At 30 September 2015		<u>167,593,388</u>
<b>Provisions</b>		
At 1 October 2014		7,517,886
Charge for year		<u>41,270,700</u>
At 30 September 2015		<u>48,788,586</u>
<b>Net book value</b>		
At 30 September 2015		<u>118,804,802</u>
At 30 September 2014		<u>159,355,579</u>

During the year, the company invested a further £719,923 in Mabey Engineering Australia (Holdings) Pty Limited.

The provision of £41,270,700 reflects the impairment of investments in subsidiaries. The subsidiaries impaired were Mabey and Johnson Limited (£8,594,883), Mabey Bridge Limited (£31,067,000), Fairfield-Mabey Limited (£108,818), and Mabey Hire International Limited (£1,499,999).

**Mabey Engineering (Holdings) Limited**  
**Notes to the Financial Statements (continued)**

**7 Investments held as fixed assets (continued)**

Details of undertakings

Other than Mabey Engineering Australia (Holdings) Pty Limited, Mabey Hire Pty Limited and Mabey Hire NZ Limited which are 90% (2014 - 75%) owned by the company, all subsidiary undertakings were wholly owned at 30 September 2015. The subsidiary undertakings at 30 September 2015 were:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Mabey Bridge Limited	England & Wales	Ordinary	100%	Sale of steel fabrication and structural steel work
Mabey Hire Limited	England & Wales	Ordinary	100%	Hire and sale of non-mechanical plant and support
Mabey Hire International Limited	England & Wales	Ordinary	100%	Provision of management services
Mabey and Johnson Limited	England & Wales	Ordinary	100%	Provision of management services
Fairfield-Mabey Limited	England & Wales	Ordinary	100%	Provision of management services
Mabey Bridging (Americas) Limited	England & Wales	Ordinary	100%	Sale of steel fabrication and non-mechanical plant
Mabey Engineering Australia (Holdings) Pty Limited	Australia	Ordinary	90%	Intermediate holding company
Mabey Hire Pty Limited	Australia	Owned by subsidiary undertaking	90%	Hire of non-mechanical plant
Mabey Hire NZ Limited	New Zealand	Owned by subsidiary undertaking	90%	Hire of non-mechanical plant
Mabey Bridge Pty Limited	Australia	Owned by subsidiary undertaking	100%	Sale of steel fabrication and structural steel work
Mabey Inc	U.S.A.	Owned by subsidiary undertaking	100%	Sale of and hire of steel fabrication and non-mechanical plant
Mabey Limited	England & Wales	Ordinary	100%	Dormant

**Mabey Engineering (Holdings) Limited**  
**Notes to the Financial Statements (continued)**

**8 Debtors**

	2015 £	2014 £
Other debtors	<u>984,203</u>	<u>847,549</u>

**9 Creditors: Amounts falling due within one year**

	2015 £	2014 £
Accruals and deferred income	<u>25</u>	<u>1,025</u>

**10 Creditors: Amounts falling due after more than one year**

	2015 £	2014 £
Amounts owed to group undertakings	<u>-</u>	<u>37,000,000</u>

**Mabey Engineering (Holdings) Limited**  
**Notes to the Financial Statements (continued)**

**11 Share capital**

**Allotted, called up and fully paid shares**

	<b>2015</b>		<b>2014</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>110,000,000</u>	<u>110,000,000</u>	<u>110,000,000</u>	<u>110,000,000</u>

**12 Dividends**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Dividends paid</b>		
Current year interim dividend paid	<u>9,000,000</u>	<u>-</u>

**13 Reserves**

	<b>Profit and loss account £</b>
At 1 October 2014	16,216,130
Profit for the year	4,057,709
Dividends paid	<u>(9,000,000)</u>
At 30 September 2015	<u>11,273,839</u>

**14 Reconciliation of movement in shareholders' funds**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Profit attributable to the members of the company	4,057,709	3,895,757
Dividends paid	<u>(9,000,000)</u>	<u>-</u>
Net (reduction in)/addition to shareholders funds	(4,942,291)	3,895,757
Shareholders' funds at 1 October 2014	<u>126,216,130</u>	<u>122,320,373</u>
Shareholders' funds at 30 September 2015	<u>121,273,839</u>	<u>126,216,130</u>

**15 Control**

The company is controlled by Mabey Holdings Limited. The ultimate controlling party is the same as the controlling party.

The parent of the largest group in which results are consolidated is Mabey Holdings Limited.

The ultimate parent company is Mabey Holdings Limited.