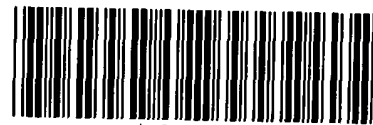


Registration number: 01560295

Mabey Engineering (Holdings) Limited
Annual Report and Financial Statements
for the Year Ended 30 September 2019

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Mabey Engineering (Holdings) Limited

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Mabey Engineering (Holdings) Limited

Company Information

Directors

J N Stacey

J K Beauchamp

M A Carey

R J Bennion OBE

Registered office

One Valpy
20 Valpy Street
Reading
Berkshire
RG1 1AR

Bankers

Barclays Bank PLC
Bridgewater House
Counterslip
Finzels Reach
Bristol
BS1 6BX

Auditor

KPMG LLP
2 Forbury Place
33 Forbury Road
Reading
RG1 3AD

Mabey Engineering (Holdings) Limited

Directors' Report for the Year Ended 30 September 2019

The directors present their report and the financial statements for the year ended 30 September 2019.

Directors of the company

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

J N Stacey (resigned 18 October 2019)

E G Wilcox - Company secretary and director (resigned 12 April 2019)

J K Beauchamp - Director (appointed 12 April 2019)

M A Carcy - Director (appointed 12 April 2019)

R J Bennion OBE - Director (appointed 12 April 2019)

Dividends

The directors recommend no final dividend payment be made in respect of the financial year ended 30 September 2019 (2018 £nil).

Political donations

During the year the company made no political donations (2018 £nil).

Employment of disabled persons

It is the company's policy to give full consideration to suitable applications for employment by disabled persons where the requirements of the job can be adequately filled by a disabled person.

Employee involvement

It is the company's policy to keep all employees aware of financial and commercial matters as far as is practicable.

Going concern

The directors have considered the basis of preparation of the financial statements and, based on the assessment of budgets and cashflow forecasts, 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 financial statements.

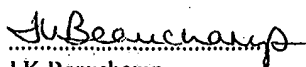
Disclosure of information to the auditor

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.

Reappointment of auditors

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 Board on 11 Dec 2019 and signed on its behalf by:



J K Beauchamp
Director

Mabey Engineering (Holdings) Limited

Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 their profit or loss for that period. In preparing each of the company 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;
- 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 adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Independent Auditor's Report to the Members of Mabey Engineering (Holdings) Limited

Opinion

We have audited the financial statements of Mabey Engineering (Holdings) Limited ("the company") for the year ended 30 September 2019 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 30 September 2019 and of the profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have 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 directors' 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.

Independent auditor's report to the members of Mabey Engineering (Holdings) Limited (continued)

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Directors, such as provisions and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Directors' report

The directors are responsible for the directors' 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 directors' 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 directors' 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.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement 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; 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; 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.

Independent auditor's report to the members of Mabey Engineering (Holdings) Limited (continued)

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.

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

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.



Robert Fitzpatrick (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

2 Forbury Place

33 Forbury Road

Reading

RG1 3AD

Date: 16 December 2019

Mabey Engineering (Holdings) Limited

Profit and Loss Account for the Year Ended 30 September 2019

	Note	2019 £	2018 £
Administrative expenses		(12)	(51)
Operating loss		(12)	(51)
Provision against investment in subsidiary undertakings		(1,935,378)	(5,736,843)
Income from shares in group undertakings		3,500,000	9,000,000
Other interest receivable and similar income	3	804,488	620,846
Profit before tax		2,369,098	3,883,952
Taxation	6	(152,851)	(117,951)
Profit for the financial year		2,216,247	3,766,001

The above results were derived from continuing operations.

The company has no other comprehensive income for the year other than the results above and therefore no separate statement of comprehensive income has been prepared.

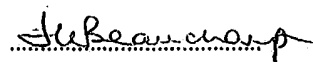
Mabey Engineering (Holdings) Limited

(Registration number: 01560295)

Balance Sheet as at 30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	7	84,440,259	86,375,637
Current assets			
Debtors	8	25,457,908	25,290,781
Cash at bank and in hand		13,088,550	11,722,028
		38,546,458	37,012,809
Creditors: Amounts falling due within one year	10	-	(117,976)
Net current assets		38,546,458	36,894,833
Net assets		122,986,717	123,270,470
Capital and reserves			
Called up share capital	11	110,000,000	110,000,000
Profit and loss account		12,986,717	13,270,470
Total equity		122,986,717	123,270,470

Approved and authorised by the Board on 11 Dec 2019 and signed on its behalf by:



J K Beauchamp

Director

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

Mabey Engineering (Holdings) Limited

Statement of Changes in Equity for the Year Ended 30 September 2019

	Share capital £	Profit and loss account £	Total £
At 1 October 2018	110,000,000	13,270,470	123,270,470
Profit for the year	-	2,216,247	2,216,247
Total comprehensive income	-	2,216,247	2,216,247
Dividends	-	(2,500,000)	(2,500,000)
At 30 September 2019	110,000,000	12,986,717	122,986,717
	Share capital £	Profit and loss account £	Total £
At 1 October 2017	110,000,000	9,504,469	119,504,469
Profit for the year	-	3,766,001	3,766,001
Total comprehensive income	-	3,766,001	3,766,001
At 30 September 2018	110,000,000	13,270,470	123,270,470

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

Mabey Engineering (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

1 General information

The company is a private company limited by share capital incorporated in United Kingdom.

2 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied.

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Company's financial statements are included in the consolidated financial statements of Mabey Holdings Limited. The consolidated financial statements of Mabey Holdings Limited are prepared in accordance with Financial Reporting Standard 102 and are available to the public and may be obtained from One Valpy, 20 Valpy Street, Reading RG1 1AR. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Mabey Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; or
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial

Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Going concern

The directors have considered the basis of preparation of the financial statements and, based on the assessment of budgets and cashflow forecasts, 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 financial statements.

Tax

(section 29 of FRS102)

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Mabey Engineering (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits.

3 Other interest receivable and similar income

	2019 £	2018 £
Interest income on financial assets	712,500	587,510
Interest income on bank deposits	91,988	33,336
	<u>804,488</u>	<u>620,846</u>

4 Directors' remuneration

The director's remuneration for the year was £nil (2018: £nil).

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 2019.

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

	2019 No.	2018 No.
Received or were entitled to receive shares under long term incentive schemes	-	1
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

Mabey Engineering (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

5 Auditor's remuneration

	2019 £	2018 £
Audit of the financial statements	100	100

Audit fees are paid by the ultimate holding company for 2019 and 2018. A nominal amount has been allocated. There are no non-audit fees for 2019 and 2018.

6 Taxation

Tax charged/(credited) in the profit and loss account

	2019 £	2018 £
Current taxation		
UK corporation tax	152,851	117,951

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Profit before tax	2,369,098	3,883,952
Corporation tax at standard rate	450,129	737,951
Non-deductible expenses	367,722	1,090,000
Dividends from UK companies not taxable	(665,000)	(1,710,000)
Total tax charge	152,851	117,951

The standard rate of corporation tax in the UK was 19% throughout the accounting period. Changes to the UK corporation tax rate were enacted by Finance (No. 2) Act 2015 reducing the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. A further reduction to 17% with effect from 1 April 2020 was enacted in Finance Act 2016 which received Royal Assent on 15 September 2016. The deferred tax assets and liabilities at 30 September 2019 have been calculated based on the rate of 17% substantively enacted at that date.

Mabey Engineering (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

7 Investments

Subsidiaries	£
Cost or valuation	
At 1 October 2018	<u>171,580,367</u>
At 30 September 2019	<u>171,580,367</u>
Provision	
At 1 October 2018	85,204,730
Provision	<u>1,935,378</u>
At 30 September 2019	<u>87,140,108</u>
Carrying amount	
At 30 September 2019	<u>84,440,259</u>
At 30 September 2018	<u>86,375,637</u>

Following the sale of Mabey Engineering Australia (Holdings) Pty Limited on 18 October 2019, an impairment was made to reflect its recoverable amount. Impairment provisions against investments in Mabey Bridge Limited and Mabey and Johnson Limited have been adjusted to reflect the net assets of those entities.

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Mabey Bridge Limited	England and Wales	Ordinary	100%	100%
Mabey Bridge International Panama SA	Panama	Owned by subsidiary undertaking	100%	100%
Mabey Hire Limited	England and Wales	Ordinary	100%	100%
Mabey and Johnson Limited	England and Wales	Ordinary	100%	100%
Mabey Bridging (Americas) Limited	England and Wales	Ordinary	100%	100%
Mabey Engineering Australia (Holdings) Pty Limited	Australia	Ordinary	100%	100%

Mabey Engineering (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
Mabey Hire Pty Limited	Australia	Owned by subsidiary undertaking	100%	100%
Mabey Hire NZ Limited	New Zealand	Owned by subsidiary undertaking	100%	100%
Mabey Limited	England and Wales	Ordinary	100%	100%
Fairfield-Mabey Limited	England and Wales	Ordinary	100%	100%

The principal activity of Mabey Bridge Limited is sale of steel fabrication and structural steel work.

Mabey Bridge International Panama SA is dormant.

The principal activity of Mabey Hire Limited is hire and sale of non-mechanical plant and support.

The principal activity of Mabey and Johnson Limited is provision of management services.

The principal activity of Mabey Bridging (Americas) Limited is sale of steel fabrication and non-mechanical plant.

The principal activity of Mabey Engineering Australia (Holdings) Pty Limited is intermediate holding company.

The principal activity of Mabey Hire Pty Limited is hire of non-mechanical plant.

The principal activity of Mabey Hire NZ Limited is hire of non-mechanical plant.

The principal activity of Mabey Limited is dormant.

The principal activity of Fairfield-Mabey Limited is dormant.

8 Debtors

	2019	2018
	£	£
Amounts owed by parent undertakings	25,000,000	25,000,000
Other debtors	457,908	290,781
Total current trade and other debtors	25,457,908	25,290,781

Details of non-current trade and other debtors

£3,333,333 (2018: £1,666,667) of amounts owed by parent undertakings is classified as non-current.

Amounts due from parent undertakings after more than one year at 30 September 2019 are repayable in instalments between 2020 and 2033. Interest is paid annually in advance at market rates.

Mabey Engineering (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

9 Cash and cash equivalents

	2019 £	2018 £
Cash at bank	13,088,550	11,722,028

10 Creditors

	2019 £	2018 £
Due within one year		
Accruals and deferred income	-	25
Corporation tax	-	117,951
	-	117,976

11 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	110,000,000	110,000,000	110,000,000	110,000,000

12 Dividends

	2019 £	2018 £
Interim dividend of £0.0227 (2018 - £Nil) per ordinary share.	2,500,000	-

The directors are proposing a final dividend of £Nil (2018 - £Nil) per share.

13 Parent and ultimate parent undertaking

The company's immediate parent is Mabey Holdings Limited, incorporated in United Kingdom.

The ultimate parent is Blagrave No 1 Limited, incorporated in United Kingdom.

The most senior parent entity producing publicly available consolidated financial statements is Mabey Holdings Limited.

14 Related party disclosures

The company has taken advantage of the exemption in FRS 102.33.1A Related Parties Transactions not to disclose transactions with wholly owned subsidiary undertakings of the Group consolidated within Mabey Holdings Limited.