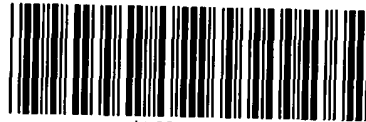


Registration number: 4300396

**Mabey Bridge Limited**  
**Annual Report and Financial Statements**  
**for the Year Ended 30 September 2019**

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COMPANIES HOUSE

# **Mabey Bridge Limited**

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# **Mabey Bridge Limited**

## **Company Information**

### **Directors**

J K Beauchamp  
M A Carey  
J N Stacey  
R J Bennion OBE

### **Registered office**

One Valpy  
20 Valpy Street  
Reading  
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 Bridge Limited**

### **Strategic Report for the Year Ended 30 September 2019**

The directors present their strategic report for the year ended 30 September 2019.

#### **Principal activity**

The principal activity of the company was the design and fabrication of light and heavy steelwork and its sale and erection worldwide. On 10 May 2019, the operating business and assets were sold. The effect of this is explained in note 3. As the directors do not intend to acquire a replacement trade and intend to liquidate the company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis.

#### **Fair review of the business**

The business generated turnover of £26,863,522 (2018: £23,717,029) and operating profits of £958,472 (2018: loss of £3,967,102).

The loss after tax for the year amounts to £7,494,341 (2018 – loss of £3,682,525).

The company did not pay any dividends during the year (2018 – £nil).

The full financial result is a consequence of the following key factors:

- 1) A loss on disposal of the trade and assets of the business of £8,462,201 (2018 - £nil)
- 2) A slight improvement in gross margins compared to last year on increased turnover
- 3) Significant reductions in administration and distribution costs resulting in an overall improvement in operating profit.

#### **Key financial performance indicators:**

Gross contribution margins 37% (2018: 47%)

Gross profit margins 22% (2018: 21%)

Operating profit margins 4% (2018: -17%).

#### **Principal risks and uncertainties**

##### **Risk objectives**

With the sale of the operating business and assets during the year, the risk environment for the company has simplified.

The Board has established risk management and internal control systems and procedures to mitigate the impact of identified risks on the business. The process for identifying and assessing risk is an integral and inseparable part of the management skills, performance culture and processes which are the core of our business.

The company has a number of clear objectives for risk management. These are:

- Managing the liquidation of the company over the appropriate timescale;
- Maintaining the collectability of the receivables;
- Managing current and future liabilities to maintain shareholder value.

**Mabey Bridge Limited**  
**Strategic Report for the Year Ended 30 September 2019**

*Objectives and policies*

**Risk Framework**

The Group has a formally constituted Group Risk Committee comprising representatives from the finance teams of the trading subsidiaries and head office. It is responsible for the effective identification and management of risk. It reports to the Board of Mabey Holdings Limited and is chaired by the Group Chief Financial Officer.

The Group Risk Committee reviews the group's overall risk assessment processes that inform the decision making of the Board of Mabey Holdings Limited and its trading subsidiaries. It reviews, redrafts and recommends adoption of changes to policy to safeguard the business.

There are a number of key areas which are subject to regular reporting to the Group Board. These controls include procedures for seeking and obtaining approval for major investments and transactions, remuneration policies, incentive plans and executive appointments. In addition, the Group Executive meets monthly to discuss business issues and take necessary actions to respond to changes in markets and to commercial opportunities.

The Group maintains policies and procedures with which the company is required to comply. Management are responsible for ensuring that the company observes and implements the policies and procedures set out in the manual which is regularly reviewed and updated. Reporting of compliance with the Group's policies is monitored quarterly.

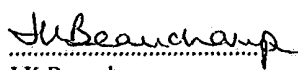
The key risks that may affect the company's ability to achieve its strategic objectives include general economic conditions, the effect of legislation, the effect of credit risk, ethical risks, and controls failure. The company maintains a strong balance sheet to enable it to respond effectively to unforeseen risks or uncertainties.

*Price risk, credit risk, liquidity risk and cash flow risk*

The company has limited exposure in these areas.

Significant receivables are held in client escrow accounts. There is sufficient day to day cash available at short notice to settle any liabilities that might arise.

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

  
J K Beauchamp  
Director

**Mabey Bridge 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 K Beauchamp (appointed 10 May 2019)

M A Carey (appointed 10 May 2019)

J N Stacey (appointed 10 May 2019 and resigned 18 October 2019)

M Treacy (resigned 10 May 2019)

G C Voss (resigned 10 May 2019)

T Rasmussen (resigned 10 May 2019)

R J Bennion OBE (appointed 10 May 2019)

S Chivers (appointed 6 February 2019 and resigned 10 May 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.

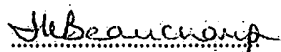
**Disclosure of information to the auditor**

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 Bridge Limited**

### **Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements**

The directors are responsible for preparing the Strategic Report, 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;
- use the going concern basis of accounting unless they either intend to liquidate the company (as explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 Bridge Limited**

### **Opinion**

We have audited the financial statements of Mabey Bridge 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 loss 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.

### **Emphasis of matter - non-going concern basis of preparation**

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

### **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.

## **Independent auditor's report to the members of Mabey Bridge Limited (continued)**

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

in our opinion those reports have 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, 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.

### **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](http://www.frc.org.uk/auditorsresponsibilities).

**Independent auditor's report to the members of Mabey Bridge Limited (continued)**

**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

RGI 3AD

16 December 2019

## Mabey Bridge Limited

### Profit and Loss Account for the Year Ended 30 September 2019

	Not e	2019 £	2018 £
Turnover	2	26,863,522	23,717,029
Cost of sales		(20,987,967)	(18,675,299)
Gross profit		5,875,555	5,041,730
Distribution costs		(1,512,924)	(3,081,123)
Administrative expenses		(3,404,160)	(5,927,709)
Operating profit/(loss)	4	958,471	(3,967,102)
Net loss on termination of an operation	3	(8,462,201)	-
Other interest receivable and similar income	5	9,450	17,913
Interest payable and similar charges	6	(62)	-
Loss before tax		(7,494,342)	(3,949,189)
Taxation	10	-	266,664
Loss for the financial year		(7,494,342)	(3,682,525)

The above results were derived from operations that were discontinued during the year.

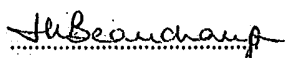
The company has no other comprehensive income for the year other than the results above and therefore no separate statement of comprehensive income has been prepared.

The notes on pages 12-24 form part of the financial statements

**Mabey Bridge Limited**  
**(Registration number: 4300396)**  
**Balance Sheet as at 30 September 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	11	-	2,017,556
Tangible assets	12	-	6,095,580
		<u>-</u>	<u>8,113,136</u>
<b>Current assets</b>			
Stocks	14	-	11,941,373
Debtors	15	8,072,450	3,036,169
Cash at bank and in hand	16	2,236,170	2,589,335
		<u>10,308,620</u>	<u>17,566,877</u>
<b>Creditors: Amounts falling due within one year</b>	17	<u>(704,530)</u>	<u>(8,581,581)</u>
<b>Net current assets</b>		<u>9,604,090</u>	<u>8,985,296</u>
<b>Net assets</b>		<u>9,604,090</u>	<u>17,098,432</u>
<b>Capital and reserves</b>			
Called up share capital	19	47,267,414	47,267,414
Share premium reserve		17,732,586	17,732,586
Profit and loss account		<u>(55,395,910)</u>	<u>(47,901,568)</u>
<b>Total equity</b>		<u>9,604,090</u>	<u>17,098,432</u>

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



J K Beauchamp  
Director

The notes on pages 12-24 form part of the financial statements

**Mabey Bridge Limited**  
**Statement of Changes in Equity for the Year Ended 30 September 2019**

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 October 2018	47,267,414	17,732,586	(47,901,568)	17,098,432
Loss for the year	-	-	(7,494,342)	(7,494,342)
Total comprehensive income	-	-	(7,494,342)	(7,494,342)
At 30 September 2019	47,267,414	17,732,586	(55,395,910)	9,604,090
	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 October 2017	47,267,414	17,732,586	(44,219,043)	20,780,957
Loss for the year	-	-	(3,682,525)	(3,682,525)
Total comprehensive income	-	-	(3,682,525)	(3,682,525)
At 30 September 2018	47,267,414	17,732,586	(47,901,568)	17,098,432

The notes on pages 12-24 form part of the financial statements

## **Mabey Bridge Limited**

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

#### **1 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**

In previous years, the financial statements have been prepared on a going concern basis. However, on 10 May 2019 the company's operating business and assets were sold. At the time of approving these financial statements the Company has ceased performing its principal activity. Accordingly, the directors have not prepared the financial statements on a going concern basis. All assets are stated at their recoverable amounts. See note 3 for effect of the sale of the company's trade and assets.

##### **Revenue recognition**

(section 23 of FRS102)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer and revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the balance sheet date.

##### **Contract revenue recognition**

Profit on contracting activities is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on each individual contract on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover represents the proportion of work carried out during the year and the settlement of claims arising from previous years. Revenue derived from variations and claims on contracts is recognised only when they have been accepted by the customer. Full provision is made for losses on contracts in the year in which they are first foreseen.

## **Mabey Bridge Limited**

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

#### **Foreign currency transactions and balances**

(section 30 of FRS102)

Gains and losses on forward foreign exchange contracts, which are entered into as hedges of purchases and sales denominated in foreign currency, are generally offset against the foreign currency exchange gains and losses on the related financial assets and liabilities, or where the instrument is used to hedge a committed, or probable, future transaction, are deferred until the transaction occurs. Where forward exchange contracts are used to manage currency exposure on existing long term contracts, the exchange gains and losses are matched against the exposure in the overall long term contract assessment.

All exchange differences are taken to the profit and loss account.

#### **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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable 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.

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 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.

#### **Tangible assets**

(Section 12 of FRS102) Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

## **Mabey Bridge Limited**

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

#### **Depreciation**

Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates estimated with the objective of writing off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

The carrying values of fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate that the carrying values may not be recoverable.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold buildings	40 years straight line
Plant, equipment and vehicles	2-20 years straight line

#### **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### **(Section 19 of FRS102)**

Goodwill, being the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets, is capitalised, classified as an asset on the balance sheet and amortised over its useful economic life. It is reviewed for impairment at the end of its first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### **Intangible assets**

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Research and development expenditure is written off as incurred.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. They are amortised over their expected useful life.

<b>Asset class</b>	<b>Amortisation method and rate</b>
Computer Software	2-5 years straight line
Trade marks	5 years straight line

## **Mabey Bridge Limited**

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

#### **Cash and cash equivalents**

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

#### **Trade debtors**

Trade debtors and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impaired losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

#### **Stocks**

(section 13 of FRS102)

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value, after making due allowance for obsolete or slow-moving items.

In the case of finished goods and work in progress on manufactured goods, cost comprises direct materials and labour and an appropriate proportion of manufacturing fixed and variable overheads. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

#### **Trade creditors**

Trade creditors and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

#### **Leases**

(section 20 of FRS102)

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred

#### **Defined contribution pension obligation**

(section 28 of FRS102)

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions.

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

## Mabey Bridge Limited

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

#### Share based payments

(section 26 of FRS102)

Mabey Holdings Limited had a number of share plans administered by UK and Isle of Man trustees until 2019. All shares under these plans must be offered back to the trusts by the employee when they leave service and the expectation is that the shares will be acquired by the various trusts. It is this expectation that determines the treatment of the plan as a cash settled share based payment arrangement.

The price at which the shares are traded is determined by applying the board's valuation policy. It is established bi-annually ahead of a trading window. The latest price is £2.22 per share (2018: £1.70).

The determination of the profit and loss account charge on the cash settled basis is determined by the parent on the basis of movements in the parent company's share redemption reserve which is recalculated each year end. The buyback reserve is calculated by the parent as follows:

- a) at each year end date between grant and settlement the liability to repurchase the investment shares is estimated by reference to the latest price;
- b) during the vesting period for the matching shares, the liability recognised at each year end is the fair value of the shares at that date (by reference to the latest price) multiplied by the expired portion of the vesting period as a proportion of the vesting period. Consideration is taken of whether employees will still be employed at the vesting period and in the case of the Deferred Bonus Plan whether the performance criteria are likely to be met;
- d) from the end of the vesting period for the matching shares until settlement, the liability recognised is the same calculation as for investment shares; and
- e) all changes in the liability are recognised in profit or loss for the year.

#### Discontinued operations

(section 5 of FRS102)

Where an operation, that can be clearly distinguished operationally and for financial purposes, and represents a separate major line of business or geographical area of operations is disposed of, the operation is treated as discontinued and the results disclosed separately on the face of the profit and loss account.

#### Exceptional items

Significant items that are not expected to recur are treated as exceptional items and disclosed on the face of the profit and loss account.

## 2 Turnover

The analysis of the company's turnover for the year by class of business is as follows:

	2019 £	2018 £
Modular bridging and steel fabrication	26,863,522	23,717,029

The analysis of the company's turnover for the year by market is as follows:

	2019 £	2018 £
Europe	2,495,913	5,271,264
Asia	4,344,027	7,606,929
Americas	18,129,057	8,228,990
Africa and Middle East	443,732	1,662,961
Oceania	1,450,793	946,885
	26,863,522	23,717,029

## Mabey Bridge Limited

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

#### 3 Exceptional items

##### Net loss on termination of an operation

On 10 May 2019 the operating business and assets of the modular bridging business were sold for £7,958,778. The amount receivable for consideration is in escrow and is included within other debtors, see note 15. Expected settlement of this receivable is in May 2022 at the earliest. It will be released based on terms included in the Sale and Purchase Agreement.

The sale generated a loss on disposal of assets in the year which amounted to £8,462,201 (2018 - £nil).

Proceeds	7,958,778
Assets and liabilities disposed of:	
Intangible assets	792,753
Tangible Assets	5,836,815
Stocks	10,172,987
Debtors	6,890,636
Creditors	<u>(7,541,079)</u>
	(16,152,112)
Transaction and legal costs	<u>(268,867)</u>
	<u><u>(8,462,201)</u></u>

#### 4 Operating profit

##### Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	302,943	501,442
Amortisation expense	1,186,819	2,038,331
Research and development cost	37,830	213,028
Operating lease expense - plant and machinery	<u>11,079</u>	<u>18,992</u>

#### 5 Other interest receivable and similar income

	2019 £	2018 £
Interest income on bank deposits	<u>9,450</u>	<u>17,913</u>

#### 6 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and borrowings	<u>62</u>	<u>-</u>

## Mabey Bridge Limited

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

#### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 £	2018 £
Wages and salaries	3,319,058	6,474,859
Social security costs	432,329	646,893
Pension costs, defined contribution scheme	830,903	766,944
Share-based payment expenses	-	117,170
	<u>4,582,290</u>	<u>8,005,866</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Production	46	96
Administration and support	36	75
	<u>82</u>	<u>171</u>

#### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £	2018 £
Remuneration	919,821	490,496
Contributions paid to money purchase schemes	83,205	62,772
	<u>1,003,026</u>	<u>553,268</u>

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	-	3
Accruing benefits under money purchase pension scheme	4	3

## Mabey Bridge Limited

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

In respect of the highest paid director:

	2019 £	2018 £
Remuneration	457,091	211,665
Company contributions to money purchase pension schemes	37,618	28,495

#### 9 Auditor's remuneration

	2019 £	2018 £
Audit of the financial statements	20,000	38,500

#### 10 Taxation

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

	2019 £	2018 £
<b>Current taxation</b>		
UK corporation tax	-	(271,505)
UK corporation tax adjustment to prior periods	-	4,841
	-	(266,664)

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 £
Loss before tax	(7,494,342)	(3,949,189)
Corporation tax at standard rate	(1,423,925)	(750,346)
Non-deductible expenses	2,098,561	373,476
Current year losses for which no deferred tax asset recognised	(674,636)	105,365
Under / (over) provided in prior years - current tax	-	4,841
Total tax credit	-	(266,664)

## Mabey Bridge Limited

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

#### Deferred tax

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.

The company has not recognised the deferred tax benefits due to the uncertainty around its recoverability. These unrecognised assets total £1,285,176 (2018: £1,888,799) of which £1,285,176 (2018: £675,534) relates to tax losses and £nil (2018: £1,213,265) relates to disclaimed capital allowances.

#### 11 Intangible assets

	Goodwill £	Trademarks, patents and licenses £	Other intangible assets £	Total £
<b>Cost or valuation</b>				
At 1 October 2018	18,964,621	91,275	1,145,951	20,201,847
Disposals	(18,964,621)	(91,275)	(1,145,951)	(20,201,847)
At 30 September 2019	-	-	-	-
<b>Amortisation</b>				
At 1 October 2018	17,068,159	35,728	1,080,404	18,184,291
Amortisation charge	1,152,152	7,104	27,563	1,186,819
Amortisation eliminated on disposals	(18,220,311)	(42,832)	(1,107,967)	(19,371,110)
At 30 September 2019	-	-	-	-
<b>Carrying amount</b>				
At 30 September 2019	-	-	-	-
At 30 September 2018	1,896,462	55,547	65,547	2,017,556

Goodwill arising on acquisitions was being amortised over its estimated useful economic life of 10 years until the date of disposal.

Other intangible assets comprise computer software.

**Mabey Bridge Limited**  
**Notes to the Financial Statements for the Year Ended 30 September 2019**

**12 Tangible assets**

	Land and buildings £	Plant, machinery and vehicles £	Total £
<b>Cost or valuation</b>			
At 1 October 2018	3,423,493	17,572,945	20,996,438
Additions	-	33,770	33,770
Disposals	(3,423,493)	(17,606,715)	(21,030,208)
At 30 September 2019	-	-	-
<b>Depreciation</b>			
At 1 October 2018	696,495	14,204,363	14,900,858
Charge for the year	72,823	230,120	302,943
Eliminated on disposal	(769,318)	(14,434,483)	(15,203,801)
At 30 September 2019	-	-	-
<b>Carrying amount</b>			
At 30 September 2019	-	-	-
At 30 September 2018	2,726,998	3,368,582	6,095,580

**13 Investments**

**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 International Panama SA	Panama	Ordinary	100%	100%

Mabey Bridge International Panama SA is a dormant entity. The investment is held at nil value and is expected to be liquidated in the near future.

# Mabey Bridge Limited

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

### 14 Stocks

	2019 £	2018 £
Raw materials and consumables	-	2,869,767
Work in progress	-	2,918,124
Finished goods and goods for resale	-	6,153,482
	-	<u>11,941,373</u>

### 15 Debtors

	2019 £	2018 £
Trade debtors	-	1,575,576
Other debtors	8,022,623	691,284
Prepayments	48,163	533,814
Amounts recoverable on contracts	1,664	132,160
Corporation tax recoverable	-	103,335
	<u>8,072,450</u>	<u>3,036,169</u>
Less non-current portion	<u>(7,998,257)</u>	-
Total current trade and other debtors	<u>74,193</u>	<u>3,036,169</u>

#### Details of non-current trade and other debtors

£7,998,257 (2018 -£Nil) of Other Debtors is classified as non-current. This amount relates to the consideration outstanding for the operating business and assets of the modular bridging business sold on 10 May 2019, which is being held in escrow as discussed in note 3. It is interest bearing and is not expected to be received until May 2022 at the earliest.

### 16 Cash and cash equivalents

	2019 £	2018 £
Cash at bank	<u>2,236,170</u>	<u>2,589,335</u>

### 17 Creditors

	Note	2019 £	2018 £
<b>Due within one year</b>			
Trade creditors		119,591	4,140,515
Amounts due to group undertakings		-	610
Social security and other taxes		-	157,524
Accruals and deferred income		<u>584,939</u>	<u>4,282,932</u>
		<u>704,530</u>	<u>8,581,581</u>

## Mabey Bridge Limited

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

#### 18 Pensions

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £830,903 (2018 - £766,944).

#### 19 Share capital

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

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	47,267,414	47,267,414	47,267,414	47,267,414

#### 20 Obligations under leases and hire purchase contracts

##### Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2019	2018
	£	£
Not later than one year	-	16,609
Later than one year and not later than five years	-	7,665
	-	24,274

The amount of non-cancellable operating lease payments recognised as an expense during the year was £11,079 (2018 - £18,992).

**Mabey Bridge Limited**  
**Notes to the Financial Statements for the Year Ended 30 September 2019**

**21 Share-based payments**

**Scheme details and movements**

The Matched Share Plan was administered by a Company Share Trust (the Trust) with an independent trustee. Mabey Holdings Limited invited employees to join the plan. Once invited UK employees could purchase shares (investment shares) and at the same time were offered loans to purchase further shares (the matching shares). The loans, at the option of Mabey Holdings Limited, could be waived at the end of a set period of service (vesting period).

The Deferred Bonus Plan was administered by the Trust. The company invited employees to join the plan. Once invited employees were issued shares (bonus shares) in proportion to their annual bonus. Employees received the full benefit of the bonus shares at the end of a set period of service (vesting period). In addition, the employees were granted shares (matching shares) at the end of the vesting period, subject to them achieving certain performance criteria.

The Mabey Share Incentive Plan was administered by a separate trustee, the Mabey SIP Trustee. This was recognised as a tax advantaged scheme by HMRC. Mabey Holdings Limited invited employees to join the plan. Once invited employees could purchase shares (partnership shares) and at the same time received further shares (the matching shares). Employees received the full benefit of the matching shares at the end of a set period of service (vesting period).

No arrangements were entered into in the current accounting period. All the plans were cash settled during the year and there are no arrangements outstanding.

The movements in the number of share options during the year were as follows:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Outstanding, start of period	38,190	70,924
Granted during the period	-	17,831
Forfeited during the period	(941)	(12,585)
Exercised during the period	(37,249)	(37,980)
Outstanding, end of period	<u>-</u>	<u>38,190</u>

**22 Commitments**

**Capital commitments**

The total amount contracted for but not provided in the financial statements was £Nil (2018 - £Nil)

**23 Parent and ultimate parent undertaking**

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

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

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