

Registered No 2911925

KCI Holding UK Limited
Report and Financial Statements

31 December 2015

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COMPANIES HOUSE

KCI Holding UK Limited

Registered No: 2911925

Directors

T Myntti
S T Poitsalo
T J Ottola

Secretary

A T Spencer

Company Number

02911925

Auditors

Ernst & Young LLP
One Colmore Square
Birmingham
B4 6HQ

Solicitors

Wragge Lawrence Graham & Co
55 Colmore Row
Birmingham
B3 2AS

Registered Office

Unit 1B Sills Road
Willow Farm Business Park
Castle Donington
Leicestershire
DE74 2US

Strategic Report

The directors present their strategic report, directors report and audited financial statements for the year ended 31 December 2015.

Principal Activity

The principal activity of the company is that of a holding company. No changes to this arrangement are expected in future.

Review of developments and future prospects

The company is in receipt of dividends from some of its subsidiaries and pays interest on loans from the immediate parent. No significant change in activity is anticipated in the future.

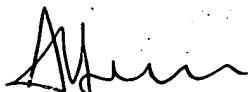
Result for the year

The profit for the year after tax was £1,840,000 (2014: £991,000). No dividend is proposed (2014:nil).

Principal risks and uncertainties

The principal risks and uncertainties facing the company is the risk of decline in the investment in subsidiary undertakings impacting the carrying value. The company manages this risk through management focus on the operations of its trading subsidiaries.

Approved by the Board of Directors and signed on behalf of the Board



A T Spencer
Secretary

29th June 2016

Directors' Report

Directors

The current directors are listed on page 1. The directors who served throughout the year, and any changes since the year end, are detailed below:

S T Poitsalo

T J Ottola

P A Campbell (resigned on 30 June 2016)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Going concern considerations

Taking into account the activity of the company and having assessed the company's financial position, the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future.


At 31 December 2015, the company had net current liabilities of £8,814k and net assets of £13,825k. The Company's net current liabilities position is due to an intergroup loan that is classified as repayable on demand. The Company has obtained a letter of support from Koneranes Finland Oy, that Koneranes Finland Oy will continue to provide the Company with the necessary funding in order for the Company to meet its liabilities in full, but only to the extent funds are not otherwise available to the Company to meet such liabilities.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board



A T Spencer
Secretary

29th June 2016

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report, 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 then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of KCI Holding UK Limited

We have audited the financial statements of KCI Holding UK Limited for the period ended 31 December 2015 which comprise the Income Statement, the Balance Sheet, Statement of Other Comprehensive Income, Statement of Changes in Equity and the related notes 1 to 16. 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditors' report

to the members of KCI Holding UK Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.



Andrew Merrick (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
Date:

29 June 2016

Income Statement

for the year ended 31 December 2015

	Notes	2015 £000	2014 £000
Administrative expenses		(13)	(17)
Operating loss		(13)	(17)
Amounts written of investments			
Income from shares in group companies	14	2,000	1,200
Interest payable	5	(183)	(245)
Profit on ordinary activities before taxation		1,804	939
Tax on profit on ordinary activities	6	36	52
Profit on ordinary activities after taxation		1,840	991
transferred to reserves	12	1,840	991

All activities derive from continuing operations.

Statement of other comprehensive income

There are no recognised gains and losses other than the profit for the financial years. Accordingly, no statement of other comprehensive income is given.

Statement of changes in equity

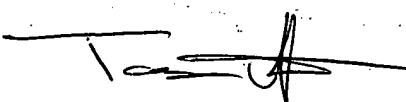
for the year ended 31 December 2015

	Share capital £000	Retained Earnings £000	Total Equity £000
At 1 January 2014	11,078	1,856	12,934
Profit for the year	-	991	991
At 31 December 2014	11,078	2,847	13,925
Profit for the year	-	1,840	1,840
Dividend paid	-	(2,500)	(2,500)
At 31 December 2015	11,078	2,187	13,265

Balance sheet**at 31 December 2015**

	Notes	2015 £000	2014 £000
Fixed assets			
Investments	7	22,099	22,099
Current assets			
Debtors	8	330	1,494
Creditors: amounts falling due within one year	9	(9,164)	(37)
Net current (liabilities)/assets		(8,834)	1,457
Total assets less current liabilities		13,265	22,556
Creditors: amounts falling after more than one year	10	-	(9,631)
Net assets		13,265	13,925
Capital and reserves			
Called up share capital	11	11,078	11,078
Profit and loss account	12	2,187	2,847
Total Equity	12	13,265	13,925

These financial statements were approved by the board of directors and signed on its behalf by:



Tomas Myntti
Director

29th June 2016

Notes to the financial statements

at 31 December 2015

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of KCI Holding UK Limited (the "Company") for the year ended 31 December 2015 were authorised for issue by the board of directors on 29th June 2016 and the balance sheet was signed on the board's behalf by Tomas Myntti. KCI Holding UK Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Konecranes PLC.

Copies of the consolidated financial statements of Konecranes PLC are available from Konecranes PLC, PO Box 661, FIN-05830, Hyvinkää, Finland and from the Registered Office of Konecranes UK Limited at Unit 1B, Sills Road, Willow Farm, Castle Donington, DE74 2US.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

2.1 Basis of preparation

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. Note 16 states the considerations of the transition from UK GAAP to FRS101, there are no changes as a result of the transition to FRS101.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - i. paragraph 79(a)(iv) of IAS 1;
 - ii. paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - iii. paragraph 118(e) of IAS 38 Intangible Assets;
- (b) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- (b) the requirements of IAS 7 Statement of Cash Flows;
- (c) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (d) the requirements of paragraph 17 of IAS 24 Related Party Disclosures (disclosure of key management personnel compensation); and
- (e) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Notes to the financial statements

at 31 December 2015

2.1 Basis of preparation (continued)

Going Concern

Taking into account the activity of the company and having assessed the company's financial position, the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future.

At 31 December 2015, the company had net current liabilities of £8,834k and net assets of £13,865k. The Company's net current liabilities position is due to an intergroup loan that is classified as repayable on demand. The Company has obtained a letter of support from Koneranes Finland Oy, that Koneranes Finland Oy will continue to provide the Company with the necessary funding in order for the Company to meet its liabilities in full, but only to the extent funds are not otherwise available to the Company to meet such liabilities.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.2 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Investment impairment

The directors have carried out an impairment review of the fixed assets investments in accordance with FRS101. The impairment review was carried out by comparing investment asset books values with the discount value of forecast future cash flows for all significant trading subsidiary undertakings.

2.3 Significant accounting policies

a) Foreign currency translation

The company's financial statements are presented in sterling, which is also the company's functional currency.

b) Fixed asset investments

Investments in group companies are stated at cost less provision for impairment.

c) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Notes to the financial statements

at 31 December 2015

2.3 Significant accounting policies (continued)

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Derecognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

d) Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exception:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

Dividends

Notes to the financial statements

at 31 December 2015

Revenue is recognised when the Company's right to receive payment is established.

3. Information regarding directors and employees

There are no employees. No director received any remuneration in relation to their services to this company, as the service is considered inconsequential

Auditors' remuneration of £4,000 (2014: £4,000) has been accrued in these accounts. In addition a further £4,000 (2014: £4,000) has been accrued in respect of fees paid to the auditors for tax compliance related services.

4. Income from shares in group companies

	2015	2014
	£000	£000
Dividends received	2,000	1,200

5. Interest payable and similar charges

	2015	2014
	£000	£000
Interest on loan from parent undertaking	183	245
	<u>183</u>	<u>245</u>

6. Tax on profit on ordinary activities

	2015	2014
	£000	£000
UK Corporation tax:		
Corporation tax on profit of the period	39	56
Adjustment in respect of prior years	(3)	(4)
Tax credit on ordinary activities	<u>36</u>	<u>52</u>

Notes to the financial statements

at 31 December 2015

6. Tax on profit on ordinary activities

The tax credit in the profit & loss statements for the period differs from that resulting from applying the standard rate of corporation tax in the UK: 20.25% (2014: 21.5%) The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before taxation	1,804	939
Tax charge on ordinary activities at standard rate	365	200
<i>Factors affecting charge for year:</i>		
Expenses not allowable for tax purposes	2	2
Other – Non-taxable income from shares in group companies	(405)	(258)
Adjustment in respect of prior years	(3)	4
Total taxation	(36)	(52)

The company has an un-provided deferred tax asset in respect of carried forward losses with a gross value of £200k (net £36k). These consist of non-trading deficits (£170k) and management expenses (£30k) which will only be able to be relieved against future profits of the company. The company also has capital losses carried forward with a gross value of £148k (net £26k). The above tax amounts are included at a tax rate of 18%.

Factors that may affect future tax charges

The changes to the main rate of corporation tax for UK companies announced in the Summer Finance Bill 2015 were substantively enacted for financial reporting purposes on 26 October 2015. The main changes in corporation tax rates, that will have accounting implications for deferred tax, are as follows:

- The main rate of corporation tax reduced from 20% to 19% from 1 April 2017.
- The main rate of corporation tax will further reduce to 18% from 1 April 2020.

The company considers that the temporary differences in deferred tax will for the most part reverse after 1 April 2020 and therefore the deferred tax assets and liabilities have been measured at 18%. An announcement to reduce the main rate of corporation tax to 17% has been announced but not yet substantively enacted and accordingly has not been applied at the balance sheet date.

Notes to the financial statements

at 31 December 2015

7. Investments held as fixed assets

Shares in subsidiary undertaking

£000

Cost:

At 1 January 2015

27,531

Addition

-

At 31 December 2015

27,531

Provision for impairment:

At 1 January 2015

5,432

Impairment in the year

5,432

At 31 December 2015

Net book value

At 31 December 2015

22,099

At 1 January 2015

22,099

All the above investments are unlisted. In the opinion of the directors the investments are not worth less than the amount shown above.

Details of all investments are set out below.

<i>Subsidiary undertakings</i>	<i>Country of incorporation/ Registration</i>	<i>Activity</i>	<i>Proportion of shares held</i>
<i>Direct subsidiaries:</i>			
J.H. Carruthers Limited, (formerly Konecranes (UK) Limited)	Scotland	Dormant	100%
Saudi Cranes and Steel Works Factory Limited Liability Corporation	Saudi Arabia	Manufacture, maintenance and installation of cranes	95%
Konecranes UK Limited,	England	Manufacture, maintenance and installation of cranes	100%
Morris Material Handling Limited	England	Dormant	100%
Konecranes Machine Tool Service Limited	England	Dormant	100%
Stahl CraneSystems Limited	England	Supplier of Lifting Equipment	100%

Notes to the financial statements

at 31 December 2015

8. Debtors

	2015 £000	2014 £000
Group relief receivable	19	125
Amounts owed by group companies	311	1,369
	<u>330</u>	<u>1,494</u>

9. Creditors: amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to other group undertakings	22	24
Amounts owed to group undertakings	9,124	-
Accruals	18	13
	<u>9,164</u>	<u>37</u>

Included within amounts owed to group undertakings is an amounts owed to Konecranes Finance Oy for £9,124,000, that is repayable on demand. The total loan facility available to the company is £12,000,000. Interest is calculated on the outstanding balance at a 6 month Money Market Rate and interest margin. The average interest for the year end 31 December 2015 was 2.0%.

10. Creditors: amounts falling after more than one year

	2015 £000	2014 £000
Amounts owed to group undertakings— loans	-	9,631
	<u>-</u>	<u>9,631</u>

A new loan agreement was entered into on 19 May 2015. This resulted in the reclassification of the intercompany loan amount included as long term in 2014, as a short term intercompany loan.

Sensitivity to Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax (through the loan is on a fixed rate borrowing, this may alter).

	Change in basis point	Impact on profit before tax (£000)
Change in interest rate (2015)	+/-50	+44

Notes to the financial statements

at 31 December 2015

11. Called up share capital

<i>Allotted and fully paid:</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>No.</i>	<i>No.</i>	<i>£000</i>	<i>£000</i>
Ordinary shares of £1 each	11,078,000	11,078,000	11,078	11,078

12. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit & loss account</i>	<i>Total shareholders' funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 January 2014	11,078	1,856	12,934
Profit for the year	-	991	991
At 31 December 2014	11,078	2,847	13,925
Profit for the year	-	1,840	1,840
Dividend paid	-	(2,500)	(2,500)
At 31 December 2015	11,078	2,187	13,265

13. Dividends

The Directors do not propose a dividend (2014: £2,500,000).

14. Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.

There are no transactions with Saudi Cranes and Steel Works Factory Limited Liability Corporation.

15. Ultimate parent company

The company's immediate parent undertaking is Konecranes Finance Oy, a company registered in Finland. The directors regard Konecranes PLC, a company registered in Finland as the ultimate parent company and ultimate controlling party. This is the smallest and largest group into which the results of this company are consolidated. Copies of the consolidated financial statements of Konecranes PLC are available from Konecranes PLC, PO Box 661, FIN-05830, Hyvinkää, Finland and from the Registered Office of Konecranes UK Limited at Unit 1B, Sills Road, Willow Farm, Castle Donington, DE74 2US.

Notes to the financial statements

at 31 December 2015

16. Transition to FRS 101

For all periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101, applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. No adjustments were made by the Company in restating its balance sheet as at 1 January 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the year ended 31 December 2014.