Mott MacDonald Bentley Limited

Annual Report

for the year ended 31 December 2012

Registered Number 3827321

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Mott MacDonald Bentley Limited

Annual Report

for the year ended 31 December 2012

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Mott MacDonald Bentley Limited

Directors' report for the year ended 31 December 2012

The directors present their report and the audited financial statements of the company for the year ended 31 December 2012

Membership
The company's members are JN Bentley Limited, a wholly-owned subsidiary of Bentley Holdings Limited (75%) and Mott MacDonald Limited (25%)

Principal activities
The principal activities of the company are of process, civil, mechanical and electrical engineering designers and contractors

Business review and future developments
The company continues to deliver integrated design and construction services to its key clients under framework agreements.

During 2012, activity has grown as the company's AMP5 framework contracts reach the mid-framework peak Activity in both Yorkshire Water and Severn Trent Water was strong with the former augmented by the large scheme at Rivelin (Sheffield) and the latter seeing the commencement of three large schemes delivered within the Severn Trent e5 Alliance Activity will continue to grow over the medium term as the current procurement cycle proceeds

Results and dividends
There was a significant increase in activity in the year as a result of a further upturn in contract progress within the third year of the water industry's latest five year framework contracts (AMP5) The directors anticipate a further modest increase in activity during 2013

The profits of the company are allocated directly to the shareholders under a Joint Venture Agreement There is no dividend payable (2011 £Nil)

Financial risk management
The company makes little use of financial instruments other than an operational bank account and therefore its exposure to price risk, credit risk, liquidity risk and interest rate cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company

Directors
The directors of the company who were in office during the year and up to the date of signing of the financial statements were

From JN Bentley Limited		
	P R Bentley	
	D M Bentley	
	J M F Cain	Resigned 01 06 2012
From Mott MacDonald Limited		
	M D Haigh	Resigned 01 06 2012
	J H K Harris	
	M Sterndale-Bennett	Appointed 25 05 2012
Non-Executive Directors		
	M Fitzgerald	
	G M Rennie	Resigned 01 06 2012

Directors' report for the year ended 31 December 2012 (continued)

Donations
The company made no charitable or political donations during the year (2011 £Nil)

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have prepared 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

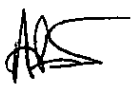
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

Disclosure of information to auditors
The directors confirm, so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware Each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Independent auditors
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

By order of the Board



A R Davies FCA
Secretary
08 May 2013

Mott MacDonald Bentley Limited

Independent auditors' report to the members of Mott MacDonald Bentley Limited

We have audited the financial statements of Mott MacDonald Bentley Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Accounting Policies and the related notes 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)

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Directors Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its result and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

PricewaterhouseCoopers LLP
Martin Heath (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors, Manchester
08 May 2013

Mott MacDonald Bentley Limited

Profit and Loss Account for the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover – continuing operations	1	**86,019,120**	72,124,679
Cost of sales		**(86,010,015)**	(72,110,117)
Gross profit		**9,105**	14,562
Administrative expenses		**(25,837)**	(21,641)
Operating loss – continuing operations	2	**(16,732)**	(7,079)
Interest receivable and similar income		**16,732**	7,079
Result on ordinary activities before taxation		**-**	-
Tax on result on ordinary activities	5	**-**	-
Result for the financial year	10	**-**	-

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the result on ordinary activities before taxation and the result for the financial year stated above and their historical cost equivalents

Mott MacDonald Bentley Limited

Balance Sheet as at 31 December 2012

	Note	2012 £	2011 £
Current assets			
Debtors	6	**8,751,685**	6,673,513
Cash at bank and in hand		**946,296**	7,321,682
		9,697,981	13,995,195
Creditors: amounts falling due within one year	7	**(9,656,981)**	(13,954,195)
Net current assets		**41,000**	41,000
Total assets less current liabilities		**41,000**	41,000
Creditors: amounts falling due after more than one year	8	**(40,000)**	(40,000)
Net assets		**1,000**	1,000
Capital and reserves			
Called up share capital	9	**1,000**	1,000
Profit and loss account	10	**-**	-
Total shareholders' funds	10	**1,000**	1,000

The financial statements on pages 4 to 11 were approved by the board of directors on 08 May 2013 and were signed on its behalf by

P R Bentley
Director

Registered Number 3827321

Mott MacDonald Bentley Limited

Cash Flow Statement for the year ended 31 December 2012

	Note	2012 £	2011 £
Net cash (outflow) / inflow from operating activities	11	**(6,392,118)**	6,431,636
Returns on investment and servicing of finance			
Interest received		**16,732**	7,079
(Decrease) / increase in cash	11	**(6,375,386)**	6,438,715

Mott MacDonald Bentley Limited

Statement of accounting policies

Basis of accounting
These financial statements are prepared on the going concern basis, under the historical cost basis of accounting and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom The principal accounting policies, which have been applied consistently throughout the year, are set out below As part of assessing the going concern basis the directors have considered cash flow forecasts which show the company will generate sufficient cash to meet its working capital requirements for a period of at least 12 months from the date of this report

Turnover
Turnover represents the invoiced sales to customers and the sales value of work done on incomplete contracts, net of value added tax

Construction contracts
Contract costs are recognised when incurred

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately

The company uses the "percentage of completion method" to determine the appropriate amount to recognise in a given period The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of the total estimated costs for each contract Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion

The company presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings Progress billings not yet paid by customers and retentions held by customers are included within trade debtors

The company presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses) Any such liabilities are included as payments received on account within Creditors amounts falling due within one year

Taxation and deferred taxation
Corporation tax is provided on the assessable profits of the company at the appropriate rates in force Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the company's taxable profits and its results as stated in the financial statements

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

Interest income
Interest income is derived from amounts held in a deposit account with the company's bankers and is accounted for on the accruals basis

Mott MacDonald Bentley Limited

Notes to the financial statements for the year ended 31 December 2012

1 Turnover

The turnover and result of ordinary activities before taxation are attributable to the principal activities of the company and have all arisen in the United Kingdom In the opinion of the directors these activities constitute a single class of business

2 Operating loss

	2012 £	2011 £
Operating loss is stated after charging		
Auditors' fees – audit services	**12,000**	8,000

Fees paid to PricewaterhouseCoopers LLP for non-audit services were £ Nil (2011. £Nil).

3 Employee costs

The company has no employees (2011 None) Its work is undertaken by staff employed by its shareholder companies

4 Directors' emoluments

The directors received no remuneration (2011 £Nil) for their services from the company

5 Tax on result of ordinary activities

No corporation tax or deferred tax liabilities (2011 £Nil) are expected to arise in respect of the company's activities for the year

6 Debtors

	2012 £	2011 £
Trade debtors	**507,682**	832,692
Amounts owed by parent undertaking	**3,630,556**	3,334,163
Amounts recoverable on contracts	**4,502,467**	2,506,146
Other debtors	**110,980**	512
	8,751,685	6,673,513

7 Creditors: amounts falling due within one year

	2012 £	2011 £
Payments received on account	**9,656,981**	13,380,834
Other creditors	**-**	573,361
	9,656,981	13,954,195

8 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Loan from parent undertaking	**30,000**	30,000
Loan from minority shareholder	**10,000**	10,000
	40,000	40,000

Loans from parent undertaking and minority shareholder are unsecured and interest free

9 Called up share capital

	2012 £	2011 £
Authorised, allotted and fully paid		
'A' Ordinary shares of £1 each	**750**	750
'B' Ordinary shares of £1 each	**250**	250
	1,000	1,000

Notes to the financial statements for the year ended 31 December 2012 (continued)

10 Reconciliation of movements in shareholders' funds

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2012	1,000	-	1,000
Result for the financial year	-	-	-
At 31 December 2012	**1,000**	**-**	**1,000**

The shareholders' funds are wholly attributable to equity interests

11 Notes to the cash flow statement

Reconciliation of operating loss to net cash flow from operating activities

	2012 £	2011 £
Continuing operations		
Operating loss	**(16,732)**	(7,079)
Increase in debtors	**(2,078,172)**	(2,736,288)
(Decrease) / increase in creditors	**(4,297,214)**	9,175,003
Net cash (outflow) / inflow from operating activities	**(6,392,118)**	6,431,636

Analysis of changes in net funds	2012 £	2011 £
Cash at bank and in hand	**946,296**	7,321,682
Shareholder loans (Note 8)	**(40,000)**	(40,000)
Total net funds	**906,296**	7,281,682

Reconciliation of net cash flow to movement in net funds	2012 £	2011 £
(Decrease) / increase in cash in the year	**(6,375,386)**	6,438,715
Opening net funds	**7,281,682**	842,967
Closing net funds	**906,296**	7,281,682

Notes to the financial statements for the year ended 31 December 2012 (continued)

12 Ultimate parent company

Bentley Holdings Limited, a company registered in England and Wales, is the ultimate parent company, and the parent undertaking of the smallest and largest group which includes the company for which group financial statements were prepared.

The immediate parent company is J N Bentley Limited, a company registered in England and Wales, which owns 75% of the issued share capital

The company is jointly controlled with the minority shareholder under a contractual arrangement In the opinion of the directors the company is jointly controlled as decisions on financial and operating policies, economic performance and financial position of the company require both shareholders' consent

Copies of the financial statements of Bentley Holdings Limited and J N Bentley Limited are available from the Company Secretary, Keighley Road, Skipton, North Yorkshire BD23 2QR.

13 Other related party disclosures

Mr J N Bentley has the controlling interest in the company by virtue of his controlling stake in Bentley Holdings Limited

The company's costs in the year include payments of £80,128,713 (2011 £65,507,696) made to J N Bentley Limited, and £6,181,716 (2011 £6,606,017) made to Mott MacDonald Limited