

Registered number: 01841352

FAIVELEY TRANSPORT BIRKENHEAD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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FAIVELEY TRANSPORT BIRKENHEAD LIMITED

COMPANY INFORMATION

Directors	L Leroux X De Lavallade I S Dolman T Barel (resigned 8 April 2014) G Bouhours M Jammot (resigned 24 April 2014) W Costigan S Charlesworth (appointed 24 April 2014)
Company secretary	W Costigan
Registered number	01841352
Registered office	Morpeth Wharf Twelve Quays Birkenhead Wirral CH41 1LF
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 8 Princes Parade St Nicholas Place Liverpool L3 1QJ

FAIVELEY TRANSPORT BIRKENHEAD LIMITED

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FAIVELEY TRANSPORT BIRKENHEAD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

Strategic Report

The directors present their strategic report on the company for the year ended 31 March 2015

The strategy of the company is to continue to be one of the leading companies serving the needs of the UK and Ireland rail rolling stock industry, by installing, overhauling, repairing and servicing train components.

Business review and future developments

The directors are satisfied with the operating results and anticipate sustainable results in the future. The company's profit for the financial year is £2.5 million (2014: £2.0 million), which will be transferred to reserves.

The directors anticipate that economic conditions will remain challenging in 2016. The order book as at the end of March 2015 is 4% below the previous year.

The company is involved in the Faiveley Worldwide Excellence programme (FWE), a four year global programme which focuses on internal industrial performance, efficiency, processes and customer on time delivery which are all of particular importance in support of the company's strategy.

The company continues to be on target with its strategic plans for sustained growth in the customer services (CS) market, however the directors anticipate that turnover will plateau in the year to March 2016. In response to this the directors intend to open a London facility in the next 12 months to target further growth.

As of 27th July 2015, the Faiveley Group has entered into exclusive negotiations with the Wabtec Corporation with a view to Wabtec purchasing the entire Faiveley Group. This will significantly increase the size of the revised Wabtec Group thus making the company stronger in the marketplace

Principal risks and uncertainties

Business environment

The customer services market in the UK is highly competitive. To manage the risk of losing customers to key competitors the company has, and will continue to be, focused on the provision of added value services, improving on time delivery and handling of customer queries by maintaining strong relationships and local representation with key customers.

Credit risk

The only significant credit risk is attributable to the company's trade debtors. Credit checks are run on new customers, and cash collections are monitored on a regular basis against contractual obligations.

Liquidity risk

The company produces cash flow forecasts, against which actual cash is monitored on a monthly basis.

Foreign exchange risk

The company purchases the majority of its raw materials from Europe in Euros. The company is therefore exposed to movements in the Euro to Sterling exchange rate. Foreign exchange forward contracts are managed centrally by the company's ultimate parent to mitigate this.

FAIVELEY TRANSPORT BIRKENHEAD LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015**

Key performance indicators

Turnover shows a year on year increase of 7.7% from £33.1 million in 2014 to £35.7 million in 2015. CS turnover increased by £3.8 million, but was partially offset by a reduction in original equipment (OE) turnover.

Gross profit at £6.8 million (2014: £5.9 million) shows a year on year increase of 15% and an increase from 17.7% of turnover to 18.9%. This reflects the higher level of CS sales.

As a result operating profit has increased from £2.7 million in 2014 to £2.9 million in 2015.

Results

The company's profit for the financial year is £2.5 million (2014: £2.0 million), which will be transferred to reserves.



This report was approved by the board on December 2015 and signed on its behalf.



**I S Dolman
Director**

Date: 16.12.15.

FAIVELEY TRANSPORT BIRKENHEAD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

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

Directors' responsibilities statement

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 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 judgments 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 to 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Principal activities

The company's principal activity is the distribution, sale, overhaul, repair and servicing of braking and coupler equipment for railway vehicles.

Future developments

Please refer to the review of the business and future developments in the strategic report.

Dividends

No dividend was proposed or paid in the year ended 31 March 2015 (2014: £Nil).

Result

The profit after tax for the financial year, amounted to £2,478,000 (2014 - £2,034,000).

FAIVELEY TRANSPORT BIRKENHEAD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

Directors

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

L Leroux
X De Lavallade
I S Dolman
T Barel (resigned 8 April 2014)
G Bouhours
M Jammot (resigned 24 April 2014)
W Costigan
S Charlesworth (appointed 24 April 2014)

Directors' indemnities

The company maintains liability insurance for its directors and officers.


Political and charitable contributions

The company donated £709 (2014: £1,396) to charities during the year. The company made no political donations.

Statement of disclosure of information to auditors

In accordance with section 418, each director at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

16-10-15 
This report was approved by the board on 16 December 2015 and signed on its behalf.



I S Dolman
Director

FAIVELEY TRANSPORT BIRKENHEAD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIVELEY TRANSPORT BIRKENHEAD LIMITED

Report on the financial statements

Our opinion

In our opinion, Faiveley Transport Birkenhead Limited's financial statements (the "financial statements"):

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

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account and the statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

FAIVELEY TRANSPORT BIRKENHEAD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIVELEY TRANSPORT BIRKENHEAD LIMITED

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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.



Nicholas Cook (Senior Statutory Auditor)
for and on behalf of Pricewaterhouse Coopers LLP,
Chartered Accountants and Statutory Auditors
Liverpool

16 December 2015

FAIVELEY TRANSPORT BIRKENHEAD LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £000	2014 £000
TURNOVER	2	35,669	33,133
Cost of sales		<u>(28,917)</u>	<u>(27,254)</u>
GROSS PROFIT		6,752	5,879
Distribution costs		(350)	(409)
Administrative expenses		(3,737)	(2,978)
Other operating income		<u>226</u>	<u>246</u>
OPERATING PROFIT	3	2,891	2,738
Interest receivable and similar income	6	53	30
Interest payable and similar charges	7	(44)	(26)
Other finance charges	8	<u>284</u>	<u>125</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,184	2,867
Tax on profit on ordinary activities	9	<u>(706)</u>	<u>(833)</u>
PROFIT FOR THE FINANCIAL YEAR	19	<u>2,478</u>	<u>2,034</u>

All amounts relate to continuing operations.

The notes on pages 10 to 24 form part of these financial statements.

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

FAIVELEY TRANSPORT BIRKENHEAD LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £000	2014 £000
PROFIT FOR THE FINANCIAL YEAR		2,478	2,034
Actuarial loss related to pension scheme	22	(3,161)	(937)
Movement in deferred tax thereon		633	321
		<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		(50)	1,418
		<hr/> <hr/>	<hr/> <hr/>

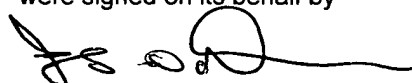
The notes on pages 10 to 24 form part of these financial statements.

FAIVELEY TRANSPORT BIRKENHEAD LIMITED
REGISTERED NUMBER: 01841352

BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£000	2015 £000	2014 £000
FIXED ASSETS				
Tangible assets	10		861	842
Investments	11		4,000	4,000
			<u>4,861</u>	<u>4,842</u>
CURRENT ASSETS				
Stocks	12	2,775		3,198
Debtors	13	8,693		14,378
Cash at bank and in hand		18,280		14,132
		<u>29,748</u>		<u>31,708</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	(8,431)		(11,584)
NET CURRENT ASSETS			<u>21,317</u>	<u>20,124</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>26,178</u>	<u>24,966</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	16		(14,074)	(13,774)
PROVISIONS FOR LIABILITIES	17		<u>(341)</u>	<u>(215)</u>
NET ASSETS EXCLUDING PENSION LIABILITIES			<u>11,763</u>	<u>10,977</u>
Pension liabilities	22		<u>(4,543)</u>	<u>(3,707)</u>
NET ASSETS INCLUDING PENSION LIABILITIES			<u><u>7,220</u></u>	<u><u>7,270</u></u>
CAPITAL AND RESERVES				
Called up share capital	18		1	1
Profit and loss account	19		7,219	7,269
TOTAL SHAREHOLDERS' FUNDS	20		<u><u>7,220</u></u>	<u><u>7,270</u></u>

The financial statements on pages 7 to 24 were approved by the Board of Directors on ¹⁶ December 2015 and were signed on its behalf by



I S Dolman
Director

The notes on pages 10 to 24 form part of these financial statements.

FAIVELEY TRANSPORT BIRKENHEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 and the accounting policies have been applied consistently.

1.2 Cash flow

The company is a wholly owned subsidiary of Faiveley Transport SA, which is the ultimate parent company incorporated in France. The company has taken advantage of exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

1.3 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax, discounts or local taxes on sales. Turnover is recognised upon despatch of goods or completion of a service. For long term contracts see note 1.8.

1.4 Other operating income

Other operating income represents royalty income received by the company from third parties for the use of patents belonging to the company.

1.5 Tangible assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	over 15 years
Plant and machinery	-	over 3 to 20 years (according to type and use)

1.6 Investments

Investments held as fixed assets are stated at cost less any provision for impairment. Impairment reviews are performed when there has been an indication of potential impairment.

1.7 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

FAIVELEY TRANSPORT BIRKENHEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal. Provisions are made in relation to slow moving and obsolete stock lines.

Long term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.10 Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. All differences on foreign exchange are taken to the profit and loss account. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

1.11 Research and development

Development costs are charged to the profit and loss account in the year of expenditure, unless individual project costs satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable,
- the project is technically feasible and commercially viable,
- current and future costs are expected to be exceeded by future sales, and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised over a period not exceeding five years commencing in the year the company starts to benefit from the expenditure.