

# Konecranes Machine Tool Service Limited

## Report and Financial Statements

31 December 2015

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COMPANIES HOUSE

**Directors**

A T Spencer  
P A Campbell  
D F Reece

**Secretary**

A T Spencer

**Company Number**

03285714

**Auditors**

Ernst & Young LLP  
No 1 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

Registered No. 03285714

## Directors' report

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

### Principal activity and review of the business

The Company's trade and net assets were sold to another Group company on 31 December 2013 and Konecranes Machine Tool Service no longer trades.

The directors are of the opinion that an analysis using KPI's is not relevant to an understanding of the development, performance or position of the business. There are no principle risks or uncertainties which are considered significant to the company.

### Basis of preparation

The company ceased to trade in 2013 and the directors have indicated their intention to commence a members voluntary liquidation of the company during 2016. The financial statements have therefore been prepared on a break-up basis.

The director has re-assessed all asset carrying amounts as at 31 December 2015 (total carrying value £332,851) and have presented all asset values in the Balance Sheet on the basis that they are expected to be realised in the short-term and other than in the normal course of business. No adjustments to the financial statements have been considered necessary following these assessments.

### Results and dividends

The profit for the year after taxation amounted to £ Nil (2014 £166). The directors do not recommend a final dividend (2014 – £ Nil).

Turnover in the year was £ Nil (2014: £ Nil) following the transfer of trade and net assets of the company to a fellow group subsidiary.

### Directors

The directors who served the company during the year were as follows:

R J Beale (resigned on 31 March 2016)

P A Campbell

D F Reece

A T Spencer (appointed 1 February 2016)

### Policy and practice on payment of creditors

The company seeks to discharge its liability to creditors under normal settlement terms, in accordance with the individual agreement held with each creditor.

### 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 is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Small company exemptions

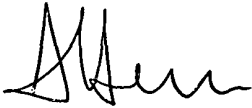
This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

## Directors' report

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'A T Spencer', with a stylized, cursive script.

A T Spencer  
Director

Date: 29<sup>th</sup> April 2016

## 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 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As described in note 2, these financial statements have been prepared on a break-up basis.

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 Konecranes Machine Tool Service Limited**

We have audited the financial statements of Konecranes Machine Tool Service Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet 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'. The financial statements are prepared on a break-up basis.

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 auditor**

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 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.

### **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 Report 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 the 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 result 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.

# Independent auditors' report

to the members of Konecranes Machine Tool Service Limited

## 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.
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



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

Date: 4/5 April 2016

## Income Statement

for the year ended 31 December 2015

	Notes	2015 £	2014 £
<b>Turnover</b>		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Administrative expenses		-	(2,700)
<b>Operating loss</b>	1	-	(2,700)
Net Interest	5	-	1,019
<b>Loss on ordinary activities before taxation</b>		-	(1,681)
Tax on loss on ordinary activities	6	-	1,847
<b>Profit on ordinary activities after taxation</b>		-	166

All amounts relate to discontinued activities.

## Statement of comprehensive income

for the year ended 31 December 2015

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £ nil in the year ended 31 December 2015 (year ended 31 December 2014 £ 166).

## Statement of changes in equity

for the year ended 31 December 2015

	£
At 1 January 2014	332,685
Profit for the financial year	166
At 31 December 2014	332,851
Result for the financial year	-
At 31 December 2015	332,851



## Balance sheet

at 31 December 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Intangible assets	7	—	—
Investments	8	—	—
		<u>—</u>	<u>—</u>
<b>Current assets</b>			
Debtors	9	332,851	332,851
		<u>332,851</u>	<u>332,851</u>
<b>Creditors:</b> amounts falling due within one year		<u>—</u>	<u>—</u>
<b>Net current assets</b>		<u>332,851</u>	<u>332,851</u>
<b>Net assets</b>		<u>332,851</u>	<u>332,851</u>
<b>Capital and reserves</b>			
Called up share capital	10	4,100,000	4,100,000
Profit and loss account	15	(3,767,149)	(3,767,149)
<b>Total Equity</b>	17	<u>332,851</u>	<u>332,851</u>

These financial statements were approved by the director and authorised for issue and are signed on their behalf by:



P A Campbell  
Director

Date: 29<sup>th</sup> April 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 Konecranes Machine Tool Service Limited (the "Company") for the year ended 31 December 2015 were authorised for issue by the board of directors on ~~XX~~ April 2016 and the balance sheet was signed on the board's behalf by P Campbell. The Company 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 pound (£) 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 the Company 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.

Transition reconciliations showing all material adjustments are disclosed in note 15.

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 requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 *Presentation of Financial Statements*;
- (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*; 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.

The company ceased to trade in 2013, and the directors have indicated their intention to commence a members' voluntary liquidation during 2016.

The financial statements have not been prepared on a going concern basis. Instead they have been prepared on a break-up basis reflecting the closure of the company. Accordingly, adjustments have been made to provide for the diminution in value of all fixed assets so as to reduce their carrying value to their estimated realisable amount, to provide for any further liabilities which will arise, and to reclassify fixed assets and long-term liabilities as current assets and liabilities

The director has re-assessed all asset carrying amounts as at 31 December 2015 (total carrying value £332,851) and have presented all asset values in the Balance Sheet on the basis that they are expected to be realised in the short-term and other than in the normal course of business. No adjustments to the financial statements have been considered necessary following these assessments.

## Notes to the financial statements

at 31 December 2015

### 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. Management consider that there are no judgements in the company's financial statements.

### 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) Statement of cash flows

Exemption has been taken from preparing a statement of cash flows on the grounds that the ultimate parent undertaking includes the subsidiary in its published financial statements.

#### c) Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### d) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

## 3. Operating loss

This is stated after charging/(crediting):

	2015	2014
	£	£
Auditors' remuneration – audit	–	3,500
– Tax	–	–
	<u>–</u>	<u>–</u>
Depreciation of owned fixed assets	–	–

The auditor's remuneration for the year ended 31 December 2015 is borne by other undertakings in the group.

The company's staff costs for the year were £nil (2014: £nil). The average monthly number of employees during the year was nil (2014: nil)

## Notes to the financial statements

at 31 December 2015

### 4. Directors' remuneration

The costs relating to the company directors are borne by other undertakings in the group. The directors do not spend a significant portion of time in respect of Konecranes Machine Tool Services Ltd. This was the case for the years ending 31 December 2014 and 31 December 2015.

### 5. Interest payable and similar charges

	2015	2014
	£	£
Bank interest	-	-
	<u>-</u>	<u>-</u>

### Interest receivable and similar income

	2015	2014
	£	£
Group interest	-	1,019
	<u>-</u>	<u>1,019</u>

### 6. Tax on loss on ordinary activities

#### a. Tax on loss on ordinary activities

There is no tax charge or credit arising in respect of the period (2014 – £1,847)

	2015	2014
	£	£
UK Corporation tax on losses of the period	-	-
Adjustments in respect of previous years	-	(1,847)
Current tax for the year (note 9(a))	<u>-</u>	<u>(1,847)</u>

#### i. Factors affecting the current tax credit for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20.25 % (2014 – 21.5%). The differences are explained below:

	2015	2014
	£	£
Profit/(loss) on ordinary activities before tax	<u>-</u>	<u>(1,681)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%)	-	(361)

*Effects of:*

## Notes to the financial statements

at 31 December 2015

Expenses not deductible for tax purposes	-	580
Income not taxable for tax purposes	-	-
Losses carried forward	-	(219)
Capital Allowances for period in excess of depreciation	-	-
Movement in short term timing differences	-	-
Adjustments in respect of previous years	-	(1,847)
Current tax for the year (note 9(a))	-	(1,847)

### b. Deferred tax

	2015	2014
	£	£
Carried forward losses	219	219

The company has £219 of tax losses carried forward at the balance sheet date. Deferred tax is not recognised due to the uncertainty over the future profitability of the company.

### c. Factors that may affect future tax charges

The standard rate of corporation tax in the UK reduced from 21% to 20% with effect from 1 April 2015. Accordingly the company's profits for this accounting period are taxed at a rate of 20.25%.

## 7. Intangible fixed assets

	Goodwill £
Cost:	
At 1 January 2015 and 31 December 2015	1,404,073
Amortisation:	
At 1 January 2015 and 31 December 2015	1,404,073
Net book value:	
At 1 January 2015 and 31 December 2015	-

## 8. Investments

	Shares in group undertakings £
Cost:	
At 1 January 2015 and 31 December 2015	1,187,013
Provisions:	
At 1 January 2015 and 31 December 2015	(1,187,013)
Net book value:	
At 1 January 2015 and 31 December 2015	-

The company's investments during the year in the share capital of companies included the following:

## Notes to the financial statements

at 31 December 2015

<i>Name of company</i>	<i>Country of incorporation</i>	<i>Holding proportion of voting rights and shares</i>	<i>Nature of business</i>
Axis Machine Tool Engineering Limited	United Kingdom	Ordinary Shares 100%	Dormant

On 7 August 2015 Axis Machine Tool Engineering Limited was placed in Member's Voluntary Liquidation; subsequently the company ceased to exist.

### 9. Debtors

	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Amounts due from group companies	321,856	321,856
Amounts due from group relief	10,995	10,995
	<u>332,851</u>	<u>332,851</u>

### 10. Issued share capital

		<i>2015</i>		<i>2014</i>
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	4,100,000	<u>4,100,000</u>	2,100,000	<u>2,100,000</u>

### 11. Movements on reserves

	<i>Profit and loss account</i>
	<i>£</i>
At 1 January 2015	(3,767,149)
Profit for the year	—
At 31 December 2015	<u>(3,767,149)</u>

### 12. Reconciliation of shareholders' funds

	<i>2015</i>	<i>2014</i>
Profit/(loss) for the financial year	—	166
Opening shareholders' funds/(deficit)	<u>332,851</u>	<u>332,685</u>
Closing shareholders' funds	<u>332,851</u>	<u>332,851</u>

## Notes to the financial statements

at 31 December 2015

### 13. Other financial commitments

At 31 December 2014 and 2015 the company had annual commitments under non-cancellable operating leases as set out below:

	2015		2014	
	<i>Land and buildings</i>	<i>Cars</i>	<i>Land and buildings</i>	<i>Cars</i>
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	-	-
In two to five years	22,660	-	22,660	-
	<u>22,660</u>	<u>-</u>	<u>22,660</u>	<u>-</u>

The company has obtained confirmation that the costs associated with the lease amounts will be paid by another group company.

### 14. Related party transactions

As the company is a wholly owned subsidiary of Konecranes PLC, it has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions with other subsidiary undertakings that form part of the group.

### 15. 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.

### 16. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of KCI Holding UK Ltd, part of the Konecranes group of companies which is owned by Konecranes Plc, a Finnish company. Copies of the group financial statements of Konecranes Plc are available from Konecranes Plc, PO Box 661, Koneenkatu 8, FI-05801, Hyvinkää, Finland.