

Effective global co-ordination supports major overseas growth



Case study

Client name:
Mott MacDonald Group Ltd

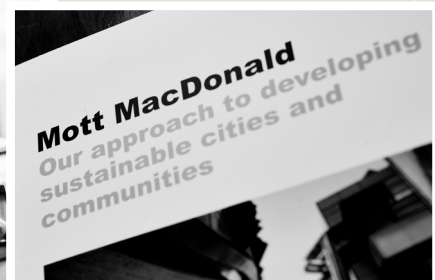
Sector:
Engineering and development consultancy

Annual turnover:
£1.3 billion

Client challenge:
Global growth

Grant Thornton services:
Global audit, M&A support, Employer solutions, Transfer pricing

Geographies served:
Africa, the Americas, Asia Pacific, Europe and the Middle East



Above: Projects of the future
Left: Ed Roud, Chief financial officer, explains Mott MacDonald's growth plans

As the Mott MacDonald Group has enjoyed significant diversification and growth, Grant Thornton has supported them every step of the way with global audit, acquisition support, and a restructuring of their employee ownership model.

“Very quickly, the team at Grant Thornton proved that they could provide all the things we were looking for: attention to detail, responsive service, all the things we’d been missing”.

Ed Roud, Chief financial officer

“When we first worked with Grant Thornton, Mott MacDonald was still a relatively small organisation, turning over £300 million to £400 million. Now revenues are £1.2 billion to £1.3 billion.”

Ed Roud, Chief financial officer

Client challenge:
An international audit approach

Nine years ago Mott MacDonald Group was at a crucial stage. The company had grown significantly, with new markets, and needed a more international approach towards its company audit. Ed Roud, Chief financial officer, chose Grant Thornton as accountants in a competitive audit tender process.

“We were not getting value for money from our Big 4 audit firm; we felt we were too small to really matter. We needed more attention, a better quality of product and to be big enough to be noticed.”

The Grant Thornton solution

The team built a process to enable centralised reporting on the controls findings of the local audit teams in 20 countries. This timely and co-ordinated global feedback for the Mott MacDonald Board has proved essential given the growth in overseas markets.

“Very quickly, the Grant Thornton team proved that they could provide all the things we were looking for: attention to detail, responsive service, all the things we’d been missing.

Grant Thornton’s specific strengths lie in the service I receive from their team. It’s very personal and proactive, working with people who want to work with us to understand our business and where we want to take the company.”

The outcome

With an increasingly diverse portfolio both geographically and by sector, Grant Thornton has been providing a tight global audit for Mott MacDonald Group in a period which has seen turnover increase from £300 million to £1.3 billion.

Client challenge:
Expansion through acquisition

When Grant Thornton came on board, Mott MacDonald was still a small organisation, turning over £300 million to £400 million. Now revenues are £1.2 billion to £1.3 billion, due to the company reacting to opportunities across the globe and undertaking acquisitions.

“When I started with Mott MacDonald 70% of our business was in the UK, with 30% overseas,” says Ed Roud. “Today 30% of the business is in the UK, with 70% overseas and we’ll continue to place more emphasis on non-UK growth.”

The Grant Thornton solution

“Regardless of what country we’re looking at, whether it’s a big or a small target, I can speak to Grant Thornton in the UK, who will interact with the teams in other member firms wherever in the world that is and deliver a very tight product to meet my expectations.

I know from the outset what I’m going to get from them and that they’re going to hit timetable; with acquisitions, I get a very unambiguous report focusing on what I need to be aware of both during a transaction and afterwards. So it’s a very tight product.”

The outcome

Grant Thornton has identified and helped realise acquisition opportunities for Mott MacDonald Group, facilitating significant expansion into growth markets.

Client challenge:
Reducing the cost of employee shares

Mott MacDonald wanted to reduce the amount of shares held in a trust warehouse while continuing to retain shareholder confidence.

“As an employee-owned company we have a trust warehouse, allowing employees to buy and sell shares in a fluid way at a market price. Half of our shares were in the trust and the other 50% with the employees.

Shares can be sold into and out of the trust when people join or leave the company, or retire. But recently, retaining 50% of the shares in the trust became increasingly costly as the company funds the trust to buy the capital. Research showed we would benefit from having a smaller trust, shrinking it,” says Ed Roud.

The Grant Thornton solution

“Grant Thornton helped us find the most effective way of doing that. And it was about a great deal more than just tax. It was about the impact on the Group’s net worth and distributable profits, and finding an acceptable solution for shareholders that wouldn’t be seen as a threat.

Grant Thornton made that happen and in the end it was a very fluid process.”

The outcome

Grant Thornton provided the Board and shareholders with a number of alternative solutions and helped them to select the one which achieved a key objective for the company, ie materially reducing the shares held by the trust, in a manner which was not only cost effective but also met the practical and commercial considerations.

A perfect fit

Grant Thornton’s help and advice is, for Ed Roud, invaluable. “When it comes to an accountancy practice, I look for a firm that has presence and status as far as the Board is concerned. It’s important to have somebody very credible alongside me. Grant Thornton are not just good at identifying technical issues but also at standing back and taking a commercial perspective on those issues. They’re acutely focused on current delivery but always looking ahead to what they need to deliver next. As we’ve grown with them, we’ve continued to receive the deliverables that they promised us from day one: a responsive service, a partner-led audit, and a team that doesn’t give us any surprises. The whole thing’s very tightly managed so that by the time I get to the audit clearance meeting I know exactly what the conversation’s going to be. I know the agenda; I know what we’ve got to do. It’s very, very tight.”

Do you have similar challenges?

Contact the lead partner:



Steve Maslin

Partner, Grant Thornton UK LLP

T +44 (0)20 7728 2736

E steve.maslin@uk.gt.com

www.grant-thornton.co.uk

© 2013 Grant Thornton International Ltd

“Grant Thornton” refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton International Ltd (GTIL) and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another’s acts or omissions.