

MARTEK CONTRACTS LIMITED
DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2013

MAURICE ANDREWS
Chartered Accountants
Grove House
25 Upper Mulgrave Road
Cheam, Sutton
Surrey, SM2 7BE

MONDAY



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MARTEK CONTRACTS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST MARCH 2013

The directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 31st March 2013

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company during the year was fit out contractors, manufacturers of specialist joinery systems and fabricators of solid surface materials

The UK economy being firmly in the grip of the recession, the construction sector was particularly affected by low activity and substantial downward pressure on pricing. The twin effect of suppressed margins and reduction in volume was felt as acutely at Martek as in most of the rest of the industry. These negative influences were compounded by considerable indecision in some client sectors and a general disinclination to make payments on time.

As a consequence, a number of cost reduction initiatives were introduced and other measures to further improve efficiency. At the same time, the Directors redoubled their efforts on sales and marketing activity and at the time of completion of these financial statements, a number of new contracts in new markets had been secured. It is also clear that after some years of moribund performance, the UK economy appears to be picking up with renewed confidence across most sectors and a definite improvement in enquiry levels.

RESULTS AND DIVIDENDS

The loss for the year amounted to £163,168. The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

	Ordinary Shares of £0.01 each	
	At 31.3.2013	At 1 4 2012
M S Preen	3,350	3,350
W D Galloway	3,350	3,350
S Ivin	<u>744</u>	<u>744</u>

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 year.

MARTEK CONTRACTS LIMITED

THE DIRECTORS' REPORT (continued)

YEAR ENDED 31ST MARCH 2013

DIRECTORS' RESPONSIBILITIES (continued)

In preparing those 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,
- 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.

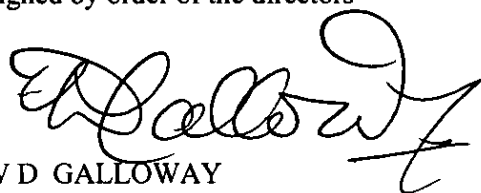
In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

Maurice Andrews are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed by order of the directors



W D GALLOWAY
Company Secretary

Approved by the directors on 13th September 2013

MARTEK CONTRACTS LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**
MARTEK CONTRACTS LIMITED
YEAR ENDED 31ST MARCH 2013

We have audited the financial statements of Martek Contracts Limited for the year ended 31st March 2013 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement 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).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 Directors' Responsibilities Statement set out on pages 1 to 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 (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 annual 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 31st March 2013 and of its loss 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 MATTERS 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.

MARTEK CONTRACTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
MARTEK CONTRACTS LIMITED (continued)

YEAR ENDED 31ST MARCH 2013

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



BRUCE ELLIOTT (Senior Statutory Auditor)

For and on behalf of

MAURICE ANDREWS

CHARTERED ACCOUNTANTS

& STATUTORY AUDITORS

13th September 2013

Grove House,
25 Upper Mulgrave Road,
Cheam, Sutton,
Surrey, SM2 7BE

MARTEK CONTRACTS LIMITED**PROFIT AND LOSS ACCOUNT**
YEAR ENDED 31ST MARCH 2013

	Note	2013 £	2012 £
TURNOVER	2	5,369,766	6,145,649
Cost of sales		(4,464,457)	(4,909,194)
GROSS PROFIT		905,309	1,236,455
Administrative expenses		(1,121,205)	(1,147,715)
Other operating income	3	42,264	42,264
OPERATING (LOSS)/PROFIT	4	(173,632)	131,004
Interest receivable		1,057	998
Interest payable and similar charges	7	(21,552)	(24,403)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(194,127)	107,599
Tax on (loss)/profit on ordinary activities	8	30,959	(37,834)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	19	(163,168)	69,765

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

MARTEK CONTRACTS LIMITED**BALANCE SHEET****31ST MARCH 2013**

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	9	116,898	141,911
CURRENT ASSETS			
Stocks	10	326,539	181,409
Debtors	11	1,231,075	1,494,571
Cash at bank and in hand		240,581	313,637
		<u>1,798,195</u>	<u>1,989,617</u>
CREDITORS: Amounts falling due within one year	12	<u>(1,495,519)</u>	<u>(1,710,186)</u>
NET CURRENT ASSETS		302,676	279,431
TOTAL ASSETS LESS CURRENT LIABILITIES		419,574	421,342
CREDITORS: Amounts falling due after more than one year	13	(200,000)	(36,640)
PROVISIONS FOR LIABILITIES			
Deferred taxation	15	(10,368)	(12,328)
NET ASSETS		<u>209,206</u>	<u>372,374</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	74	74
Other reserves	19	33	33
Profit and loss account	19	209,099	372,267
SHAREHOLDERS' FUNDS	20	<u>209,206</u>	<u>372,374</u>

These financial statements were approved by the directors and authorised for issue on 13th September 2013, and are signed on their behalf by



W D GALLOWAY

Company Registration Number 01621476

MARTEK CONTRACTS LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31ST MARCH 2013**

	Note	2013 £	2012 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	21	(203,708)	254,220
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		1,057	998
Interest paid		<u>(21,552)</u>	<u>(24,403)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(20,495)	(23,405)
TAXATION		(35,181)	(43,430)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(259,384)	187,385
FINANCING			
Repayment of related party loans		(28,844)	(25,526)
Repayment of bank loans		<u>(11,700)</u>	<u>(11,700)</u>
NET CASH OUTFLOW FROM FINANCING		(40,544)	(37,226)
(DECREASE)/INCREASE IN CASH	22	<u>(299,928)</u>	<u>150,159</u>

MARTEK CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	- over the life of the lease
Plant, Tools & Office Equipment	- over 3 to 10 years straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate

Operating lease agreements

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

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

MARTEK CONTRACTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2013****1. ACCOUNTING POLICIES (continued)****Deferred taxation (continued)**

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below.

	2013	2012
	£	£
United Kingdom	5,161,690	5,310,322
Overseas	208,076	835,327
	<u>5,369,766</u>	<u>6,145,649</u>

3. OTHER OPERATING INCOME

	2013	2012
	£	£
Other operating income	<u>42,264</u>	<u>42,264</u>

MARTEK CONTRACTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2013****4. OPERATING (LOSS)/PROFIT**

Operating (loss)/profit is stated after charging/(crediting)

	2013	2012
	£	£
Depreciation of owned fixed assets	25,013	25,381
Auditor's remuneration		
- as auditor	5,000	5,000
- for other services	13,000	14,000
Operating lease costs		
- Land and buildings	180,000	180,000
Net (profit)/loss on foreign currency translation	(537)	907

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2013	2012
	No	No
Production and sales	43	42
Office and management	8	8
	<u>51</u>	<u>50</u>

The aggregate payroll costs of the above were

	2013	2012
	£	£
Wages and salaries	1,633,260	1,762,568
Social security costs	175,182	187,007
Other pension costs	259	732
	<u>1,808,701</u>	<u>1,950,307</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2013	2012
	£	£
Salaries	237,681	269,764
Other remuneration	17,657	9,366
	<u>255,338</u>	<u>279,130</u>

Remuneration of highest paid director:

	2013	2012
	£	£
Total remuneration (excluding pension contributions)	<u>101,477</u>	<u>107,566</u>

MARTEK CONTRACTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2013****6. DIRECTORS' REMUNERATION (continued)**

The number of directors who accrued benefits under company pension schemes was as follows

	2013	2012
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Interest payable on bank borrowing	2,496	2,029
Interest on other loans	19,056	22,374
	<u>21,552</u>	<u>24,403</u>

8. TAXATION ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	2013	2012
	£	£
Current tax		
UK Corporation tax based on the results for the year	-	34,973
Over provision in prior year	(28,999)	-
Total current tax	<u>(28,999)</u>	<u>34,973</u>
Deferred tax		
Origination and reversal of timing differences	(1,960)	2,861
Tax on (loss)/profit on ordinary activities	<u>(30,959)</u>	<u>37,834</u>

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2012 - 26%)

	2013	2012
	£	£
(Loss)/profit on ordinary activities before taxation	<u>(194,127)</u>	<u>107,599</u>
(Loss)/profit on ordinary activities by rate of tax	(38,825)	27,976
Expenses not deductible for tax purposes	6,585	9,858
Capital allowances for period in excess of depreciation	4,598	5,868
Utilisation of tax losses	27,642	-
Tax chargeable at lower rates	-	(8,729)
Adjustments to tax charge in respect of previous periods	<u>(28,999)</u>	<u>-</u>
Total current tax (note 8(a))	<u>(28,999)</u>	<u>34,973</u>

MARTEK CONTRACTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2013****9. TANGIBLE FIXED ASSETS**

	Leasehold Property £	Plant, Tools & Office Equipment £	Total £
COST			
At 1st April 2012 and 31st March 2013	<u>158,270</u>	<u>355,314</u>	<u>513,584</u>
DEPRECIATION			
At 1st April 2012	89,237	282,436	371,673
Charge for the year	13,189	11,824	25,013
At 31st March 2013	<u>102,426</u>	<u>294,260</u>	<u>396,686</u>
NET BOOK VALUE			
At 31st March 2013	<u>55,844</u>	<u>61,054</u>	<u>116,898</u>
At 31st March 2012	<u>69,033</u>	<u>72,878</u>	<u>141,911</u>

10. STOCKS

	2013 £	2012 £
Work in progress	237,772	47,841
Finished goods	88,767	133,568
	<u>326,539</u>	<u>181,409</u>

11. DEBTORS

	2013 £	2012 £
Trade debtors	470,429	1,040,849
Corporation tax repayable	29,207	—
Amounts recoverable on contracts	584,011	289,460
Prepayments and accrued income	147,428	164,262
	<u>1,231,075</u>	<u>1,494,571</u>

MARTEK CONTRACTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2013****12. CREDITORS: Amounts falling due within one year**

	2013 £	2012 £
Related party loans	372,740	368,844
Directors' loan accounts	—	200,000
Bank loans and overdrafts	507,794	288,722
Payments received on account	11,153	81,304
Trade creditors	249,945	400,985
Taxation and social security	184,808	175,248
Other creditors	5,782	59,630
Accruals and deferred income	163,297	135,453
	<u>1,495,519</u>	<u>1,710,186</u>

13. CREDITORS: Amounts falling due after more than one year

	2013 £	2012 £
Related party loans	—	32,740
Bank loans	—	3,900
Directors' loan accounts	200,000	—
	<u>200,000</u>	<u>36,640</u>

14. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows

	2013 £	2012 £
Amounts repayable		
In one year or less or on demand	880,534	857,566
In more than one year but not more than two years	200,000	36,640
	<u>1,080,534</u>	<u>894,206</u>

15. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2013 £
Provision brought forward	12,328
Profit and loss account movement arising during the year	(1,960)
Provision carried forward	<u>10,368</u>

MARTEK CONTRACTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2013****15. DEFERRED TAXATION (continued)**

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2013 £	2012 £
Excess of taxation allowances over depreciation on fixed assets	10,368	12,328
	<u>10,368</u>	<u>12,328</u>

16. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2013 the company had annual commitments under non-cancellable operating leases as set out below

	2013	Other	2012	Other
	Land and buildings £	Items £	Land and buildings £	Items £
Operating leases which expire				
Within 1 year	-	6,767	-	16,034
Within 2 to 5 years	180,000	9,489	180,000	5,690
	<u>180,000</u>	<u>16,256</u>	<u>180,000</u>	<u>21,724</u>

17. RELATED PARTY TRANSACTIONS

Related party loans disclosed in notes 12 and 13 to the financial statements comprise a loan of £340,000 (2012 - £340,000) from the employee benefit trust which bears interest at 2.75% over base rate per annum and is repayable within one year and a term loan from W D Galloway which bears interest at 13% per annum and is repayable in regular instalments terminating in March 2014. The amount outstanding at the year end is £32,740 (2012 - £61,584).

Interest payable during the year on the above loans in aggregate was £19,056 (2012 - £22,374).

The company was charged rent of £180,000 (2012 - £180,000) by the company's pension scheme during the year.

During the year the company purchased services to the value of £69,038 (2012 - £203,175) from Kronos Management Limited, a company in which close family members of M S Preen and W D Galloway are directors and shareholders. £25,967 (2012 - £39,714) was outstanding at the year end and is included in trade creditors.

MARTEK CONTRACTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2013****18. SHARE CAPITAL****Authorised share capital:**

	2013	2012
	£	£
100,000 Ordinary shares of £0.01 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
7,444 Ordinary shares of £0.01 each	<u>7,444</u>	<u>74</u>	<u>7,444</u>	<u>74</u>

19. RESERVES

	Capital redemption reserve £	Profit and loss account £
Balance brought forward	33	372,267
Loss for the year	—	(163,168)
Balance carried forward	<u>33</u>	<u>209,099</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
(Loss)/Profit for the financial year	(163,168)	69,765
Opening shareholders' funds	<u>372,374</u>	<u>302,609</u>
Closing shareholders' funds	<u>209,206</u>	<u>372,374</u>

**21. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2013	2012
	£	£
Operating (loss)/profit	(173,632)	131,004
Depreciation	25,013	25,381
(Increase)/decrease in stocks	(145,130)	5,549
Decrease in debtors	292,703	94,111
Decrease in creditors	(202,662)	(1,825)
Net cash (outflow)/inflow from operating activities	<u>(203,708)</u>	<u>254,220</u>

MARTEK CONTRACTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2013****22. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2013		2012
	£	£	£
(Decrease)/increase in cash in the period		(299,928)	150,159
Net cash outflow from related party loans	28,844		25,526
Net cash outflow from bank loans	11,700		11,700
		40,544	37,226
Change in net debt		(259,384)	187,385
Net debt at 1 April 2012		(580,569)	(767,954)
Net debt at 31 March 2013		(839,953)	(580,569)

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.2012	Cash flows	Other changes	At 31.3.2013
	£	£	£	£
Net cash				
Cash in hand and at bank	313,637	(73,056)	—	240,581
Overdrafts	(277,022)	(226,872)	—	(503,894)
	36,615	(299,928)	—	(263,313)
Debt				
Debt due within 1 year	(580,544)	40,544	163,360	(376,640)
Debt due after 1 year	(36,640)	—	(163,360)	(200,000)
	(617,184)	40,544	—	(576,640)
Net debt	(580,569)	(259,384)	—	(839,953)