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Registration number 3185456

**Met-Clad Contracts Limited**  
**Directors' report and financial statements**  
**for the year ended 30 November 2005**



## **Met-Clad Contracts Limited**

### **Company information**

Directors	D Meer	
	A Pickering	
	D Mundell	Resigned 17 January 2005
	P Cosford	
	P Merryweather	Resigned 17 January 2005
Secretary	J Meer	
Company number	3185456	
Registered office	12 Bridgford Road West Bridgford Nottingham NG2 6AB	
Auditors	Brooks Mayfield 12 Bridgford Road West Bridgford Nottingham NG2 6AB	
Bankers	National Westminster Bank Plc Smiths Bank Branch 16 South Parade Nottingham NG1 2JX	

## **Met-Clad Contracts Limited**

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## Met-Clad Contracts Limited

### Directors' report for the year ended 30 November 2005

The directors present their report and the financial statements for the year ended 30 November 2005.

#### Principal activity and review of the business

The principal activity of the company is roofing and cladding specialists.

#### Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

#### Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

		Class of share	30/11/05	01/12/04
D Meer		Ordinary shares	-	-
A Pickering		Ordinary shares	-	-
D Mundell	Resigned 17 January 2005	Ordinary shares	-	-
P Cosford		Ordinary shares	-	-
P Merryweather	Resigned 17 January 2005	Ordinary shares	-	-

#### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He 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.

#### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Brooks Mayfield be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 17 March 2006 and signed on its behalf by

J Meer  
Secretary



**Met-Clad Contracts Limited**

**Independent auditors' report to the shareholders of  
Met-Clad Contracts Limited**

We have audited the financial statements of Met-Clad Contracts Limited for the year ended 30 November 2005 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

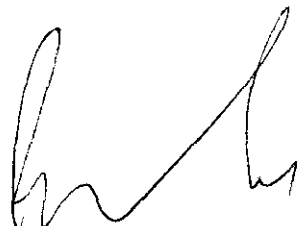
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Met-Clad Contracts Limited**

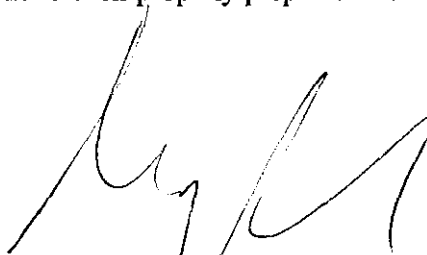
**Independent auditors' report to the shareholders of Met-Clad Contracts Limited continued**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Brooks Mayfield  
Chartered Accountants and  
Registered Auditors  
17 March 2006**



**12 Bridgford Road  
West Bridgford  
Nottingham  
NG2 6AB**

# Met-Clad Contracts Limited

## Profit and loss account for the year ended 30 November 2005

		Continuing operations	
		2005	2004
	Notes	£	£
Turnover	2	9,847,616	7,149,285
Cost of sales		(7,941,990)	(5,515,963)
Gross profit		1,905,626	1,633,322
Administrative expenses		(1,501,479)	(1,486,951)
Operating profit	3	404,147	146,371
Other interest receivable and similar income	4	595	6,873
Interest payable and similar charges	5	(12,723)	(18,987)
Profit on ordinary activities before taxation		392,019	134,257
Tax on profit on ordinary activities	8	(113,832)	(36,851)
Profit on ordinary activities after taxation		278,187	97,406
Retained profit for the year		278,187	97,406
Retained profit brought forward		2,245,821	2,148,415
Retained profit carried forward		2,524,008	2,245,821

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 to 15 form an integral part of these financial statements.

**Met-Clad Contracts Limited**

**Balance sheet  
as at 30 November 2005**

		2005		2004	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		132,688		110,503
<b>Current assets</b>					
Debtors	10	4,638,616		3,804,944	
Cash at bank and in hand		16,056		46	
		4,654,672		3,804,990	
<b>Creditors: amounts falling due within one year</b>	11	(2,215,126)		(1,664,173)	
<b>Net current assets</b>			2,439,546		2,140,817
<b>Total assets less current liabilities</b>			2,572,234		2,251,320
<b>Creditors: amounts falling due after more than one year</b>	12		(38,331)		-
<b>Provisions for liabilities and charges</b>	13		(8,895)		(4,499)
<b>Net assets</b>			2,525,008		2,246,821
<b>Capital and reserves</b>					
Called up share capital	15		1,000		1,000
Profit and loss account			2,524,008		2,245,821
<b>Shareholders' funds</b>	16		2,525,008		2,246,821

The financial statements were approved by the Board on 17 March 2006 and signed on its behalf by

**D Meer**  
**Director**



The notes on pages 8 to 15 form an integral part of these financial statements.



# Met-Clad Contracts Limited

## Cash flow statement for the year ended 30 November 2005

	Notes	2005 £	2004 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		404,147	146,371
Depreciation		38,234	33,181
(Increase) in debtors		(833,672)	88,058
Increase in creditors		415,548	(240,433)
<b>Net cash inflow from operating activities</b>		<u>24,257</u>	<u>27,177</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		24,257	27,177
Returns on investments and servicing of finance	18	(12,128)	(2,785)
Taxation	18	(34,596)	(66,540)
Capital expenditure	18	14,327	(7,728)
		<u>(8,140)</u>	<u>(49,876)</u>
<b>Financing</b>	<b>18</b>	<u>(27,536)</u>	<u>(13,889)</u>
<b>Decrease in cash in the year</b>		<u>(35,676)</u>	<u>(63,765)</u>
<b>Reconciliation of net cash flow to movement in net debt (Note 19)</b>			
<b>Decrease in cash in the year</b>		(35,676)	(63,765)
Cash outflow from increase in debts and lease financing		27,536	13,889
Change in net debt resulting from cash flows		(8,140)	(49,876)
New finance leases and hire purchase contracts		(74,746)	7,728
<b>Movement in net debt in the year</b>		<u>(82,886)</u>	<u>(42,148)</u>
<b>Net debt at 1 December 2004</b>		<u>(352,649)</u>	<u>(310,501)</u>
<b>Net debt at 30 November 2005</b>		<u>(435,535)</u>	<u>(352,649)</u>

# **Met-Clad Contracts Limited**

## **Notes to the financial statements for the year ended 30 November 2005**

..... continued

### **1. Accounting policies**

#### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention .

#### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

#### **1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	- 15% reducing balance basis
Motor vehicles	- 33% reducing balance basis
Improvements to leasehold property	- 2% straight line basis

#### **1.4. Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

#### **1.5. Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

#### **1.6. 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.

### **2. Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

# Met-Clad Contracts Limited

## Notes to the financial statements for the year ended 30 November 2005

<b>3. Operating profit</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	34,506	33,181
Loss on disposal of tangible fixed assets	3,728	-
Operating lease rentals		
- Motor vehicles	55,537	67,423
Auditors' remuneration	5,500	6,500
	<u>          </u>	<u>          </u>
<b>4. Interest receivable and similar income</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Bank interest	595	258
Other interest	-	6,615
	<u>          </u>	<u>          </u>
	595	6,873
	<u>          </u>	<u>          </u>
<b>5. Interest payable and similar charges</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Interest payable on bank overdraft	10,245	16,545
Hire purchase interest	1,951	2,442
On overdue tax	527	-
	<u>          </u>	<u>          </u>
	12,723	18,987
	<u>          </u>	<u>          </u>

# Met-Clad Contracts Limited

## Notes to the financial statements for the year ended 30 November 2005

..... continued

### 6. Employees

<b>Number of employees</b>	<b>2005</b>	<b>2004</b>
The average monthly numbers of employees (including the directors) during the year were:		
Office and management	24	26
Production	20	25
	<u>44</u>	<u>51</u>

<b>Employment costs</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,154,752	1,138,818
Social security costs	121,401	116,145
Other pension costs	20,427	27,729
	<u>1,296,580</u>	<u>1,282,692</u>

<b>6.1. Directors' emoluments</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	257,833	319,121
Pension contributions	15,565	21,496
	<u>273,398</u>	<u>340,617</u>

	<b>Number</b>	<b>Number</b>
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>5</u>	<u>6</u>

<b>Highest paid director</b>	<b>£</b>	<b>£</b>
Amounts included above:		
Emoluments and other benefits	122,053	65,467
Pension contributions	7,440	7,440
	<u>129,493</u>	<u>72,907</u>

# Met-Clad Contracts Limited

## Notes to the financial statements for the year ended 30 November 2005

..... continued

### 7. Pension costs

The company operates a defined contribution pension scheme in respect of the employees and directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £20,427 (2004 - £27,729).

### 8. Tax on profit on ordinary activities

Analysis of charge in period	2005 £	2004 £
<b>Current tax</b>		
UK corporation tax	109,436	34,596
Total current tax charge	<u>109,436</u>	<u>34,596</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	4,396	2,255
Total deferred tax	<u>4,396</u>	<u>2,255</u>
Tax on profit on ordinary activities	<u>113,832</u>	<u>36,851</u>

#### Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>392,019</u>	<u>134,257</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 November 2004 : 30%)	117,606	40,277
<b>Effects of:</b>		
Expenses not deductible for tax purposes	937	1,595
Capital allowances for period in excess of depreciation	(5,701)	2,414
Marginal relief	(3,406)	(9,690)
Current tax charge for period	<u>109,436</u>	<u>34,596</u>

**Met-Clad Contracts Limited**

**Notes to the financial statements  
for the year ended 30 November 2005**

..... continued

9. Tangible fixed assets	Plant and machinery £	Motor vehicles £	Improvements to leasehold property £	Total £
<b>Cost</b>				
At 1 December 2004	133,886	189,566	16,211	339,663
Additions	-	84,081	-	84,081
Disposals	-	(90,223)	-	(90,223)
At 30 November 2005	<u>133,886</u>	<u>183,424</u>	<u>16,211</u>	<u>333,521</u>
<b>Depreciation</b>				
At 1 December 2004	93,286	134,901	973	229,160
On disposals	-	(62,833)	-	(62,833)
Charge for the year	6,090	28,092	324	34,506
At 30 November 2005	<u>99,376</u>	<u>100,160</u>	<u>1,297</u>	<u>200,833</u>
<b>Net book values</b>				
At 30 November 2005	<u>34,510</u>	<u>83,264</u>	<u>14,914</u>	<u>132,688</u>
At 30 November 2004	<u>40,600</u>	<u>54,665</u>	<u>15,238</u>	<u>110,503</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2005		2004	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	<u>66,929</u>	<u>14,852</u>	<u>17,791</u>	<u>23,355</u>

10. Debtors	2005 £	2004 £
Trade debtors	2,280,675	1,862,474
Amount owed by connected companies	2,217,618	1,930,627
Other debtors	-	6,000
Prepayments and accrued income	<u>140,323</u>	<u>5,843</u>
	<u>4,638,616</u>	<u>3,804,944</u>

# Met-Clad Contracts Limited

## Notes to the financial statements for the year ended 30 November 2005

..... continued

11. Creditors: amounts falling due within one year	2005 £	2004 £
Bank overdraft	388,366	336,680
Net obligations under finance leases and hire purchase contracts	24,894	16,015
Trade creditors	1,087,686	896,599
Amounts owed to connected companies	193,069	173,660
Corporation tax	109,436	34,596
Other taxes and social security costs	259,019	166,115
Other creditors	24,444	629
Accruals and deferred income	128,212	39,879
	<u>2,215,126</u>	<u>1,664,173</u>

Hire purchase contracts are secured on the assets concerned.

The bank overdraft is secured by an unscheduled mortgage debenture incorporating a fixed and floating charge over all the assets of the company.

12. Creditors: amounts falling due after more than one year	2005 £	2004 £
Net obligations under finance leases and hire purchase contracts	<u>38,331</u>	<u>-</u>

### 13. Provisions for liabilities and charges

	Deferred taxation (Note 14) £	Total £
At 1 December 2004	4,499	4,499
Movements in the year	4,396	4,396
At 30 November 2005	<u>8,895</u>	<u>8,895</u>

# Met-Clad Contracts Limited

## Notes to the financial statements for the year ended 30 November 2005

..... continued

<b>14. Provision for deferred taxation</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	8,895	4,499
Provision at 1 December 2004	4,499	
Deferred tax charge in profit and loss account	4,396	
Provision at 30 November 2005	8,895	
<b>15. Share capital</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>Authorised equity</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
<b>Allotted, called up and fully paid equity</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
<b>16. Reconciliation of movements in shareholders' funds</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Profit for the year	278,187	97,406
Opening shareholders' funds	2,246,821	2,149,415
Closing shareholders' funds	2,525,008	2,246,821
<b>17. Ultimate parent undertaking</b>		

The company is a wholly owned subsidiary of Met-Clad Contracts (Holdings) Limited, a company registered in England.

The ultimate parent undertaking is Castlegate 172 Limited as it owns the whole of the share capital of Met-Clad Contracts (Holdings) Limited. Castlegate 172 Limited is registered in England.



# Met-Clad Contracts Limited

## Notes to the financial statements for the year ended 30 November 2005

..... continued

### 18. Gross cash flows

	2005 £	2004 £
<b>Returns on investments and servicing of finance</b>		
Interest received	595	6,873
Interest paid	(12,723)	(9,658)
	<u>(12,128)</u>	<u>(2,785)</u>
<b>Taxation</b>		
Corporation tax paid	<u>(34,596)</u>	<u>(66,540)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(9,335)	(7,728)
Receipts from sales of tangible assets	23,662	-
	<u>14,327</u>	<u>(7,728)</u>
<b>Financing</b>		
Capital element of finance leases and hire purchase contracts	<u>(27,536)</u>	<u>(13,889)</u>

### 19. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	46	16,010		16,056
Overdrafts	(336,680)	(51,686)		(388,366)
	<u>(336,634)</u>	<u>(35,676)</u>		<u>(372,310)</u>
Finance leases and hire purchase contracts	(16,015)	27,536	(74,746)	(63,225)
<b>Net funds</b>	<u>(352,649)</u>	<u>(8,140)</u>	<u>(74,746)</u>	<u>(435,535)</u>

**Met-Clad Contracts Limited**

**The following pages do not form part of the statutory accounts.**

# Met-Clad Contracts Limited

## Detailed trading and profit and loss account for the year ended 30 November 2005

	2005		2004	
	£	£	£	£
<b>Sales</b>				
Contract works		9,847,616		7,149,285
		<u>9,847,616</u>		<u>7,149,285</u>
<b>Cost of sales</b>				
Purchases and subcontractors	6,999,520		4,584,297	
Direct labour	458,234		453,215	
Hire of plant and machinery	484,236		478,451	
	<u>7,941,990</u>		<u>5,515,963</u>	
		(7,941,990)		(5,515,963)
<b>Gross profit</b>	19%	1,905,626	23%	1,633,322
<b>Administrative expenses</b>	1,501,479		1,486,951	
		<u>(1,501,479)</u>		<u>(1,486,951)</u>
<b>Operating profit</b>	4%	404,147	2%	146,371
<b>Other income and expenses</b>				
<b>Interest receivable</b>				
Bank deposit interest	595		258	
Other interest	-		6,615	
		<u>595</u>		<u>6,873</u>
<b>Interest payable</b>				
Bank interest	10,245		16,545	
HP interest and fin. lease charges	1,951		2,442	
Interest on overdue tax	527		-	
		<u>(12,723)</u>		<u>(18,987)</u>
<b>Net profit for the year</b>		<u>392,019</u>		<u>134,257</u>

# Met-Clad Contracts Limited

## Administrative expenses for the year ended 30 November 2005

	2005	2004
	£	£
<b>Administrative expenses</b>		
Salaries	485,862	426,103
Directors' remuneration	210,656	259,500
Employer's NI contributions	121,401	116,145
Directors' money purchase pension costs	15,565	21,496
Staff money purchase pension costs	4,862	6,233
Rent and rates	35,265	37,154
Insurance	152,889	188,175
Light heat and water	4,794	2,363
Repairs and maintenance	9,026	831
Postage stationery and advertising	43,866	40,385
Telephone	18,568	20,346
Motor vehicle hire and leasing	55,537	67,423
Motor and travelling expenses	189,110	220,111
Legal and professional	34,949	11,736
Training courses and levy	8,765	12,687
Audit	5,500	6,500
Bank charges	4,137	5,626
Bad debts	52,272	(1,747)
General expenses	10,221	12,703
Depreciation on plant and machinery	6,090	7,050
Depreciation on motor vehicles	28,092	25,807
Profits/losses on disposal of tangible assets	3,728	-
Depreciation of leasehold improvements	324	324
	<u>1,501,479</u>	<u>1,486,951</u>