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Registration number 3185456

Met-Clad Contracts Limited
Directors' report and financial statements
for the year ended 30 November 2007

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Met-Clad Contracts Limited

Company information

Directors	D Meer	Resigned 31 January 2008
	A Pickering	
	P Cosford	
	M S Village	
	W J Wheat	Appointed 1 February 2008
	J R Lowe	Appointed 1 February 2008
Secretary	M Mayfield	
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 Smuths 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 2007

The directors present their report and the financial statements for the year ended 30 November 2007

Principal activity and review of the business

The principal activity of the company continues to be that of roofing and cladding specialists

During the year there was a substantial increase in turnover compared with the previous year, however, this had an effect on gross margin which fell by 9% compared with the previous year. The Directors consider the company's position to be satisfactory. It is anticipated that gross margins will be maintained, and the orders taken to date suggest that the turnover for this current year will be similar to that of the previous year. The company considers that it has adequate finance to achieve the turnover and the Directors look forward to a favourable years trading with a strengthening of the company's position.

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of a final dividend

Financial risk management objectives and policies

The company seeks to operate within its agreed overdraft facility with the bank. All sales are to UK customers and all suppliers are UK based. The company has therefore not entered into any hedging arrangements in respect of risks relating to trade debtors or creditors.

The company is exposed to interest rate risk on its borrowings with the bank. Based on the level of borrowings at the year end, an increase of 0.5% in interest rates increases the company's borrowing costs by £3,000.

The company is currently reliant on overdraft facilities from the bank and therefore has a cash flow and liquidity risk. The company has tightened up controls over collection of trade debtors and has also negotiated favourable payment terms with its suppliers. The bank is currently satisfied with the company's financial performance and the directors do not think there is any risk of facilities being withdrawn.

Directors

The directors who served during the year are as stated below

D Meer	Resigned 31 January 2008
A Pickering	
P Cosford	
M S Village	
W J Wheat	Appointed 1 February 2008
J R Lowe	Appointed 1 February 2008

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Met-Clad Contracts Limited

Directors' report for the year ended 30 November 2007

continued

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). The financial statements are required by law to 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 financial statements 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 is 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 (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that he ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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 4 April 2008 and signed on its behalf by



M Mayfield
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 2007 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 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 the auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

Met-Clad Contracts Limited

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

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.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



Brooks Mayfield
Chartered Accountants and
Registered Auditors
4 April 2008

12 Bridgford Road
West Bridgford
Nottingham
NG2 6AB

Met-Clad Contracts Limited

**Profit and loss account
for the year ended 30 November 2007**

		Continuing operations	
		2007	2006
	Notes	£	£
Turnover	2	17,130,076	9,292,927
Cost of sales		(14,904,167)	(7,226,059)
Gross profit		<u>2,225,909</u>	<u>2,066,868</u>
Administrative expenses		(1,795,351)	(1,594,259)
Operating profit	3	<u>430,558</u>	<u>472,609</u>
Other interest receivable and similar income	4	3,060	706
Interest payable and similar charges	5	(18,098)	(12,326)
Profit on ordinary activities before taxation		<u>415,520</u>	<u>460,989</u>
Tax on profit on ordinary activities	8	(128,034)	(140,084)
Profit on ordinary activities after taxation		<u>287,486</u>	<u>320,905</u>
Profit for the year	16	<u>287,486</u>	<u>320,905</u>
Retained profit brought forward		2,844,913	2,524,008
Retained profit carried forward		<u><u>3,132,399</u></u>	<u><u>2,844,913</u></u>

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 16 form an integral part of these financial statements.

Met-Clad Contracts Limited

**Balance sheet
as at 30 November 2007**

		2007		2006	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		250,555		234,584
Current assets					
Debtors	10	7,984,514		5,410,028	
Cash at bank and in hand		27,865		34,627	
		8,012,379		5,444,655	
Creditors: amounts falling due within one year	11	(5,030,498)		(2,744,382)	
Net current assets			2,981,881		2,700,273
Total assets less current liabilities			3,232,436		2,934,857
Creditors: amounts falling due after more than one year	12		(85,407)		(71,997)
Provisions for liabilities	13		(13,630)		(16,947)
Net assets			3,133,399		2,845,913
Capital and reserves					
Called up share capital	15		1,000		1,000
Profit and loss account	16		3,132,399		2,844,913
Equity shareholders' funds	17		3,133,399		2,845,913

The financial statements were approved by the Board on 4 April 2008 and signed on its behalf by



M S Village
Director

The notes on pages 8 to 16 form an integral part of these financial statements.

Met-Clad Contracts Limited

**Cash flow statement
for the year ended 30 November 2007**

	Notes	2007 £	2006 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		430,558	472,609
Depreciation		77,479	55,288
(Increase) in debtors		(2,574,486)	(771,412)
Increase in creditors		1,658,358	860,891
Net cash outflow from operating activities		<u>(408,091)</u>	<u>617,376</u>
Cash flow statement			
Net cash outflow from operating activities		(408,091)	617,376
Returns on investments and servicing of finance	21	(15,038)	(11,620)
Taxation	21	(132,032)	(109,436)
Capital expenditure	21	41,568	(11,049)
		(513,593)	485,271
Financing	21	(91,359)	(78,333)
Decrease in cash in the year		<u>(604,952)</u>	<u>406,938</u>
Reconciliation of net cash flow to movement in net debt (Note 22)			
Decrease in cash in the year		(604,952)	406,938
Cash inflow from increase in debts and lease financing		91,359	78,333
Change in net debt resulting from cash flows		(513,593)	485,271
New finance leases and hire purchase contracts		(135,018)	(146,135)
Movement in net debt in the year		(648,611)	339,136
Net debt at 1 December 2006		<u>(96,399)</u>	<u>(435,535)</u>
Net debt at 30 November 2007		<u>(745,010)</u>	<u>(96,399)</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2007

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

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 2007**

continued

3. Operating profit	2007	2006
	£	£
Operating profit is stated after charging		
Depreciation and other amounts written off tangible assets	73,056	53,371
Loss on disposal of tangible fixed assets	4,423	1,917
Operating-lease rentals		
- Motor vehicles	31,202	38,080
Auditors' remuneration	6,000	5,500
	<u> </u>	<u> </u>
 4. Interest receivable and similar income	 2007	 2006
	£	£
Bank interest	3,060	693
Other interest	-	13
	<u> </u>	<u> </u>
	<u>3,060</u>	<u>706</u>
 5. Interest payable and similar charges	 2007	 2006
	£	£
Interest payable on loans < 1 yr	7,633	6,705
Hire purchase interest	10,437	5,621
On overdue tax	28	-
	<u> </u>	<u> </u>
	<u>18,098</u>	<u>12,326</u>

Met-Clad Contracts Limited

**Notes to the financial statements
for the year ended 30 November 2007**

continued

6. Employees

Number of employees	2007	2006
The average monthly numbers of employees (including the directors) during the year were		
Office and management	29	23
Production	31	25
	<u>60</u>	<u>48</u>

Employment costs	2007	2006
	£	£
Wages and salaries	1,896,996	1,359,683
Social security costs	204,755	137,506
Pension costs-other operating charge	12,614	17,358
	<u>2,114,365</u>	<u>1,514,547</u>

6.1. Directors' emoluments	2007	2006
	£	£
Remuneration and other emoluments	235,319	314,086
Pension contributions	11,433	15,825
	<u>246,752</u>	<u>329,911</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>4</u>	<u>4</u>
Highest paid director	£	£
Amounts included above		
Emoluments and other benefits	66,934	133,466
Pension contributions	3,333	2,350
	<u>70,267</u>	<u>135,816</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2007

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 £12,614 (2006 - £17,358)

8. Tax on profit on ordinary activities

Analysis of charge in period	2007 £	2006 £
Current tax		
UK corporation tax	131,351	132,032
Total current tax charge	<u>131,351</u>	<u>132,032</u>
Deferred tax		
Timing differences, origination and reversal	(3,317)	8,052
Total deferred tax	<u>(3,317)</u>	<u>8,052</u>
Tax on profit on ordinary activities	<u><u>128,034</u></u>	<u><u>140,084</u></u>

Factors affecting tax charge for period

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

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>415,520</u>	<u>460,989</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 November 2006 - 30%)	124,656	138,297
Effects of:		
Expenses not deductible for tax purposes	6,175	3,871
Capital allowances for period in excess of depreciation	1,998	(8,627)
Marginal relief	(1,478)	(1,509)
Current tax charge for period	<u><u>131,351</u></u>	<u><u>132,032</u></u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2007

..... continued

9. Tangible fixed assets	Plant and machinery £	Motor vehicles £	Improvements to leasehold property £	Total £
Cost				
At 1 December 2006	133,886	283,599	16,211	433,696
Additions	-	94,792	-	94,792
Disposals	-	(35,138)	-	(35,138)
At 30 November 2007	<u>133,886</u>	<u>343,253</u>	<u>16,211</u>	<u>493,350</u>
Depreciation				
At 1 December 2006	104,553	92,938	1,621	199,112
On disposals	-	(29,373)	-	(29,373)
Charge for the year	4,400	68,332	324	73,056
At 30 November 2007	<u>108,953</u>	<u>131,897</u>	<u>1,945</u>	<u>242,795</u>
Net book values				
At 30 November 2007	<u>24,933</u>	<u>211,356</u>	<u>14,266</u>	<u>250,555</u>
At 30 November 2006	<u>29,333</u>	<u>190,661</u>	<u>14,590</u>	<u>234,584</u>

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

Asset description	2007		2006	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	<u>206,001</u>	<u>63,214</u>	<u>186,451</u>	<u>41,489</u>

10. Debtors	2007 £	2006 £
Trade debtors	4,274,891	2,518,104
Amount owed by connected companies	3,500,130	2,720,067
Other debtors	3,425	3,625
Prepayments and accrued income	206,068	168,232
	<u>7,984,514</u>	<u>5,410,028</u>

Met-Clad Contracts Limited

**Notes to the financial statements
for the year ended 30 November 2007**

continued

11. Creditors: amounts falling due within one year	2007 £	2006 £
Bank overdraft	598,189	-
Net obligations under finance leases and hire purchase contracts	89,279	59,030
Trade creditors	3,388,759	1,803,244
Amounts owed to connected companies	232,020	212,517
Corporation tax	131,351	132,031
Other taxes and social security costs	248,668	275,974
Directors' accounts	33,110	15,860
Other creditors	28,470	26,057
Accruals and deferred income	280,652	219,669
	<u>5,030,498</u>	<u>2,744,382</u>

Hire purchase contracts are secured on the assets concerned

The bank overdraft is secured by three debentures and a legal charge over the freehold property in the group

12. Creditors: amounts falling due after more than one year	2007 £	2006 £
Net obligations under finance leases and hire purchase contracts	<u>85,407</u>	<u>71,997</u>

13. Provisions for liabilities

	Deferred taxation (Note 14) £	Total £
At 1 December 2006	16,947	16,947
Movements in the year	<u>3,317</u>	<u>3,317</u>
At 30 November 2007	<u>13,630</u>	<u>13,630</u>

Met-Clad Contracts Limited

**Notes to the financial statements
for the year ended 30 November 2007**

continued

14. Provision for deferred taxation	2007	2006
	£	£
Accelerated capital allowances	13,630	16,947
Provision for deferred tax	<u>13,630</u>	<u>16,947</u>
Provision at 1 December 2006	16,947	
Deferred tax credit in profit and loss account	<u>(3,317)</u>	
Provision at 30 November 2007	<u>13,630</u>	
15. Share capital	2007	2006
	£	£
Authorised equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Equity Shares		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
16. Equity Reserves	Profit and loss account	Total
	£	£
At 1 December 2006	2,844,913	2,844,913
Profit for the year	<u>287,486</u>	<u>287,486</u>
At 30 November 2007	<u>3,132,399</u>	<u>3,132,399</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2007

continued

17. Reconciliation of movements in shareholders' funds	2007	2006
	£	£
Profit for the year	287,486	320,905
Opening shareholders' funds	2,845,913	2,525,008
Closing shareholders' funds	<u>3,133,399</u>	<u>2,845,913</u>

18. Financial commitments

At 30 November 2007 the company had annual commitments under non-cancellable operating leases as follows

	2007	Other	2006
	£		£
Expiry date:			
Within one year	394		-
Between one and five years	1,568		1,551
	<u>1,962</u>		<u>1,551</u>

19. Related party transactions

The company pays rent for the factory and office premises to Met-Clad Contracts (Holdings) Limited of £24,000 per annum

20. Ultimate parent undertaking

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 2007**

continued

21. Gross cash flows

	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest received	3,060	706
Interest paid	(18,098)	(12,326)
	<u>(15,038)</u>	<u>(11,620)</u>
Taxation		
Corporation tax paid	(132,032)	(109,436)
Capital expenditure		
Payments to acquire tangible assets	40,226	(18,972)
Receipts from sales of tangible assets	1,342	7,923
	<u>41,568</u>	<u>(11,049)</u>
Capital element of finance leases and hire purchase contracts	<u>(91,359)</u>	<u>(78,333)</u>

22. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	34,627	(6,762)		27,865
Overdrafts	-	(598,189)		(598,189)
	<u>34,627</u>	<u>(604,951)</u>		<u>(570,324)</u>
Finance leases and hire purchase contracts	(131,027)	91,359	(135,018)	(174,686)
Net funds	<u>(96,400)</u>	<u>(513,592)</u>	<u>(135,018)</u>	<u>(745,010)</u>