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Registration number 3185456

Met-Clad Contracts Limited

Directors' report and financial statements

for the year ended 30 November 2004



Met-Clad Contracts Limited

Company information

Directors	D Meer	
	R A Whitehead	Resigned 27 August 2004
	A Pickering	
	D Mundell	
	P Cosford	Resigned 17 January 2005
	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 2004

The directors their report and the financial statements for the year ended 30 November 2004.

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 4.

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:

		Ordinary shares	
		30/11/04	01/12/03
D Meer		-	-
R A Whitehead	Resigned 27 August 2004	-	-
A Pickering		-	-
D Mundell		-	-
P Cosford	Resigned 17 January 2005	-	-
P Merryweather	Resigned 17 January 2005	-	-
		-	-

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 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.

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 1 February 2005 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 2004 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.

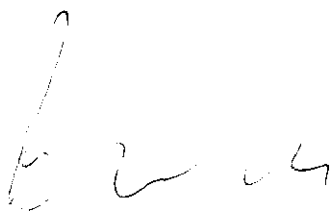
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

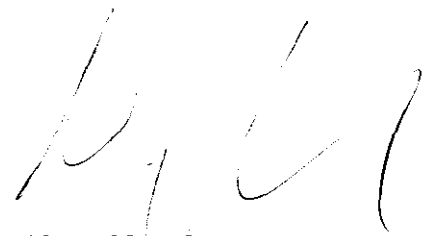
Met-Clad Contracts Limited

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 2004 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
1 February 2005


12 Bridgford Road
West Bridgford
Nottingham
NG2 6AB

Met-Clad Contracts Limited

Profit and loss account for the year ended 30 November 2004

		Continuing operations	
		2004	2003
	Notes	£	£
Turnover	2	7,149,285	7,926,023
Cost of sales		(5,515,963)	(6,042,714)
Gross profit		1,633,322	1,883,309
Administrative expenses		(1,486,951)	(1,518,526)
Operating profit	3	146,371	364,783
Other interest receivable and similar income	4	6,873	139
Interest payable and similar charges	5	(18,987)	(22,541)
Profit on ordinary activities before taxation		134,257	342,381
Tax on profit on ordinary activities	8	(36,851)	(102,779)
Profit on ordinary activities after taxation		97,406	239,602
Retained profit for the year		97,406	239,602
Retained profit brought forward		2,148,415	1,908,813
Retained profit carried forward		2,245,821	2,148,415

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

The notes on pages 7 to 14 form an integral part of these financial statements.

Met-Clad Contracts Limited

**Balance sheet
as at 30 November 2004**

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		110,503		143,684
Current assets					
Debtors	10	3,804,944		3,893,002	
Cash at bank and in hand		46		593	
		<u>3,804,990</u>		<u>3,893,595</u>	
Creditors: amounts falling due within one year	11	<u>(1,664,173)</u>		<u>(1,871,731)</u>	
Net current assets			<u>2,140,817</u>		<u>2,021,864</u>
Total assets less current liabilities			2,251,320		2,165,548
Creditors: amounts falling due after more than one year	12		-		(13,889)
Provisions for liabilities and charges	13		<u>(4,499)</u>		<u>(2,244)</u>
Net assets			<u><u>2,246,821</u></u>		<u><u>2,149,415</u></u>
Capital and reserves					
Called up share capital	16		1,000		1,000
Profit and loss account			2,245,821		2,148,415
Equity shareholders' funds	17		<u><u>2,246,821</u></u>		<u><u>2,149,415</u></u>

The financial statements were approved by the Board on 1 February 2005 and signed on its behalf by


D Meer
Director

The notes on pages 7 to 14 form an integral part of these financial statements.

Met-Clad Contracts Limited

Cash flow statement for the year ended 30 November 2004

	Notes	2004 £	2003 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		146,371	364,783
Depreciation		33,181	47,583
Decrease in debtors		88,058	(458,203)
(Decrease) in creditors		(240,433)	113,241
Net cash inflow from operating activities		<u>27,177</u>	<u>67,404</u>
Cash flow statement			
Net cash inflow from operating activities		27,177	67,404
Returns on investments and servicing of finance	19	(2,785)	(22,402)
Taxation	19	(66,540)	(113,693)
Capital expenditure	19	-	(10,312)
		<u>(42,148)</u>	<u>(79,003)</u>
Financing	19	(13,889)	(31,108)
Decrease in cash in the year		<u>(56,037)</u>	<u>(110,111)</u>
Reconciliation of net cash flow to movement in net debt (Note 20)			
Decrease in cash in the year		(56,037)	(110,111)
Cash outflow from increase in debts and lease financing		13,889	31,107
Change in net debt resulting from cash flows		(42,148)	(79,004)
New finance leases and hire purchase contracts		-	(24,688)
Movement in net debt in the year		<u>(42,148)</u>	<u>(103,692)</u>
Net debt at 1 December 2003		<u>(310,501)</u>	<u>(206,809)</u>
Net debt at 30 November 2004		<u>(352,649)</u>	<u>(310,501)</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2004

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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

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 2004

..... continued

3. Operating profit	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	33,181	47,583
Operating lease rentals		
- Motor vehicles	67,423	86,192
Auditors' remuneration	6,500	6,500
	<u> </u>	<u> </u>
4. Interest receivable and similar income	2004	2003
	£	£
Bank interest	258	69
Other interest	6,615	70
	<u> </u>	<u> </u>
	<u>6,873</u>	<u>139</u>
5. Interest payable and similar charges	2004	2003
	£	£
Interest payable on loans < 1 yr	16,545	18,046
Hire purchase interest	2,442	4,495
	<u> </u>	<u> </u>
	<u>18,987</u>	<u>22,541</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2004

..... continued

6. Employees

Number of employees	2004	2003
The average monthly numbers of employees (including the directors) during the year were:		
Office and management	26	29
Production	25	25
	<u>51</u>	<u>54</u>

Employment costs	2004	2003
	£	£
Wages and salaries	1,138,818	1,181,873
Social security costs	116,145	126,643
Other pension costs	27,729	30,145
	<u>1,282,692</u>	<u>1,338,661</u>

6.1. Directors' emoluments	2004	2003
	£	£
Remuneration and other emoluments	319,121	278,552
Pension contributions	21,496	19,518
	<u>340,617</u>	<u>298,070</u>

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

Highest paid director	£	£
Amounts included above:		
Emoluments and other benefits	65,467	55,276
Pension contributions	7,440	7,440
	<u>72,907</u>	<u>62,716</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2004

..... 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 £27,729 (2003 - £30,145).

8. Tax on profit on ordinary activities

Analysis of charge in period	2004 £	2003 £
Current tax		
UK corporation tax	34,596	107,540
Adjustments in respect of previous periods	-	285
	<u>34,596</u>	<u>107,825</u>
Total current tax charge	<u>34,596</u>	<u>107,825</u>
Deferred tax		
Timing differences, origination and reversal	2,255	(5,046)
Total deferred tax	<u>2,255</u>	<u>(5,046)</u>
Tax on profit on ordinary activities	<u>36,851</u>	<u>102,779</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:

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>134,257</u>	<u>342,381</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 November 2003 : 30%)	40,277	102,714
Effects of:		
Expenses not deductible for tax purposes	1,595	3,606
Capital allowances for period in excess of depreciation	2,414	4,785
Adjustments to tax charge in respect of previous periods	-	285
Marginal relief	(9,690)	(3,565)
Current tax charge for period	<u>34,596</u>	<u>107,825</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2004

..... continued

9. Tangible fixed assets	Plant and machinery	Motor vehicles	Improvements to Leasehold Property	Total
	£	£	£	£
Cost				
At 1 December 2003	133,886	189,566	16,211	339,663
At 30 November 2004	133,886	189,566	16,211	339,663
Depreciation				
At 1 December 2003	86,236	109,094	649	195,979
Charge for the year	7,050	25,807	324	33,181
At 30 November 2004	93,286	134,901	973	229,160
Net book values				
At 30 November 2004	40,600	54,665	15,238	110,503
At 30 November 2003	47,650	80,472	15,562	143,684

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

Asset description	2004		2003	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	17,791	23,355	64,986	18,860

10. Debtors	2004 £	2003 £
Trade debtors	1,862,474	2,151,630
Amount owed by connected companies	1,930,627	1,720,775
Other debtors	6,000	9,700
Prepayments and accrued income	5,843	10,897
	3,804,944	3,893,002

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2004

..... continued

11. Creditors: amounts falling due within one year	2004 £	2003 £
Bank overdraft	336,680	273,462
Net obligations under finance leases and hire purchase contracts	16,015	23,743
Trade creditors	896,599	1,229,821
Amounts owed to connected companies	173,660	154,285
Corporation tax	34,596	66,540
Other taxes and social security costs	166,115	103,120
Other creditors	629	-
Accruals and deferred income	39,879	20,760
	<u>1,664,173</u>	<u>1,871,731</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	2004 £	2003 £
Net obligations under finance leases and hire purchase contracts	-	13,889

13. Provisions for liabilities and charges	Deferred taxation (Note 14) £	Total £
At 1 December 2003	2,244	2,244
Movements in the year	2,255	2,255
At 30 November 2004	<u>4,499</u>	<u>4,499</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2004

..... continued

14. Provision for deferred taxation	2004	2003
	£	£
Accelerated capital allowances	<u>4,499</u>	<u>2,244</u>
Provision at 1 December 2003	2,244	
Deferred tax charge in profit and loss account	<u>2,255</u>	
Provision at 30 November 2004	<u>4,499</u>	
 12. Creditors: amounts falling due after more than one year	 2004	 2003
	£	£
Net obligations under finance leases and hire purchase contracts	<u>-</u>	<u>13,888</u>
 16. Share capital	 2004	 2003
	£	£
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
 Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
 17. Reconciliation of movements in shareholders' funds	 2004	 2003
	£	£
Profit for the year	97,406	239,602
Opening shareholders' funds	<u>2,149,415</u>	<u>1,909,813</u>
Closing shareholders' funds	<u>2,246,821</u>	<u>2,149,415</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2004

..... continued

18. 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.

19. Gross cash flows

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest received	6,873	139
Interest paid	(9,658)	(22,541)
	<u>(2,785)</u>	<u>(22,402)</u>
Taxation		
Corporation tax paid	<u>(66,540)</u>	<u>(113,693)</u>
Capital expenditure		
Payments to acquire tangible assets	<u>(7,728)</u>	<u>(10,312)</u>
Financing		
Capital element of finance leases and hire purchase contracts	<u>(13,889)</u>	<u>(31,107)</u>

20. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	593	(547)		46
Overdrafts	<u>(273,462)</u>	<u>(63,218)</u>		<u>(336,680)</u>
	<u>(272,869)</u>	<u>(63,765)</u>		<u>(336,634)</u>
Finance leases and hire purchase contracts	<u>(37,632)</u>	<u>13,889</u>	<u>7,728</u>	<u>(16,015)</u>
Net funds	<u><u>(310,501)</u></u>	<u><u>(49,876)</u></u>	<u><u>7,728</u></u>	<u><u>(352,649)</u></u>