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Registration number 3185456

Met-Clad Contracts Limited
Director's report and financial statements
for the year ended 30 November 2002



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Met-Clad Contracts Limited

Company information

Director	D Meer
Secretary	R E Lomas
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

Contents

	Page
Director's report	1
Auditors' report	2 - 3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the financial statements	7 - 14

Met-Clad Contracts Limited

**Director's report
for the year ended 30 November 2002**

The director presents his report and the financial statements for the year ended 30 November 2002.

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 director does not recommend payment of a final dividend.

Director and his interest

The director who served during the year and his interest in the company are as stated below:

	Ordinary shares	
	30/11/02	01/12/01

D Meer

- -

Director's responsibilities

Company law requires the director 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 director is 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 director is 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.

The director recommends that Brooks Mayfield remain in office until further notice.

This report was approved by the Board on 27 February 2003 and signed on its behalf by



R E Lomas
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 2002 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of director and auditors

As described in the statement of director's responsibilities the company's director is 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 director 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 director's remuneration and transactions with the company is not disclosed.

We read the director 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 director 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.

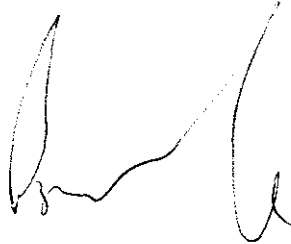
Met-Clad Contracts Limited

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

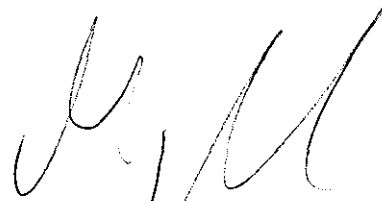
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Brooks Mayfield
Registered auditors
27 February 2003



12 Bridgford Road
West Bridgford
Nottingham
NG2 6AB



Met-Clad Contracts Limited

Profit and loss account for the year ended 30 November 2002

		Continuing operations	
		2002	2001
	Notes	£	£
Turnover		6,790,028	7,893,313
Cost of sales		(4,896,488)	(5,949,132)
Gross profit		1,893,540	1,944,181
Administrative expenses		(1,378,065)	(1,259,603)
Operating profit	2	515,475	684,578
Other interest receivable and similar income		2,633	9,051
Interest payable and similar charges	4	(5,787)	(5,993)
Profit on ordinary activities before taxation		512,321	687,636
Tax on profit on ordinary activities	7	(157,918)	(212,193)
Retained profit for the year		354,403	475,443
Retained profit brought forward		1,554,410	1,078,967
Retained profit carried forward		1,908,813	1,554,410

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 2002**

	Notes	2002		2001	
		£	£	£	£
Fixed assets					
Tangible assets	8		156,267		181,993
Current assets					
Debtors	9	3,434,799		3,194,452	
Cash at bank and in hand		611		147,944	
		<u>3,435,410</u>		<u>3,342,396</u>	
Creditors: amounts falling due within one year	10	<u>(1,659,577)</u>		<u>(1,908,028)</u>	
Net current assets			<u>1,775,833</u>		<u>1,434,368</u>
Total assets less current liabilities			1,932,100		1,616,361
Creditors: amounts falling due after more than one year	11		(14,997)		(51,245)
Provisions for liabilities and charges	12		<u>(7,290)</u>		<u>(9,706)</u>
Net assets			<u>1,909,813</u>		<u>1,555,410</u>
Capital and reserves					
Called up share capital	14		1,000		1,000
Profit and loss account			<u>1,908,813</u>		<u>1,554,410</u>
Equity shareholders' funds	15		<u>1,909,813</u>		<u>1,555,410</u>

The financial statements were approved by the Board on 27 February 2003 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 2002

	Notes	2002 £	2001 £
Operating profit		515,475	684,578
Depreciation		54,453	54,154
(Increase) in debtors		(240,347)	(979,006)
(Decrease) in creditors		(347,296)	246,512
Net cash outflow from operating activities		<u>(17,715)</u>	<u>6,238</u>
Cash flow statement			
Net cash outflow from operating activities		(17,715)	6,238
Returns on investments and servicing of finance	18	(3,154)	3,058
Taxation	18	(253,913)	(342,325)
Capital expenditure	18	(9,777)	(11,845)
		<u>(284,559)</u>	<u>(344,874)</u>
Financing	18	(26,143)	(15,105)
Decrease in cash in the year		<u>(310,702)</u>	<u>(359,979)</u>
Reconciliation of net cash flow to movement in net (Note 19)			
Decrease in cash in the year		(310,702)	(359,979)
Cash outflow from increase in debts and lease financing		26,143	15,105
Change in net resulting from cash flows		(284,559)	(344,874)
New finance leases and hire purchase contracts		(18,950)	(66,350)
Movement in net debt in the year		<u>(303,509)</u>	<u>(411,224)</u>
Net funds at 1 December 2001		96,699	507,923
Net debt at 30 November 2002		<u>(206,810)</u>	<u>96,699</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2002

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

Depreciation on motor vehicles was previously charged at 25% reducing balance basis. The directors have reviewed this policy and consider 33% reducing balance basis to be more appropriate. The effect of this change is not material and therefore no adjustment has been made to prior year figures.

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. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the director considers that a liability to taxation is unlikely to materialise.

2. Operating profit

	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	47,873	43,073
Loss on disposal of tangible fixed assets	6,580	11,081
Operating lease rentals		
- Plant and machinery	83,836	71,487
Auditors' remuneration	6,000	5,000

Met-Clad Contracts Limited

**Notes to the financial statements
for the year ended 30 November 2002**

..... continued

3. Interest receivable and similar income	2002	2001
	£	£
Bank interest	2,632	9,051
Other interest	1	-
	<u>2,633</u>	<u>9,051</u>
 4. Interest payable and similar charges	 2002	 2001
	£	£
Hire purchase interest	3,713	1,659
On overdue tax	2,074	4,334
	<u>5,787</u>	<u>5,993</u>
 5. Employees		
Number of employees		
The average monthly numbers of employees (including the director) during the year were:	2002	2001
Office and management	<u>70</u>	<u>70</u>
 Employment costs	 2002	 2001
	£	£
Wages and salaries	1,247,859	1,365,407
Other pension costs	27,341	27,489
	<u>1,275,200</u>	<u>1,392,896</u>
 5.1. Director's emoluments	 2002	 2001
	£	£
Remuneration and other emoluments	44,250	86,038
Pension contributions	7,440	11,798
	<u>51,690</u>	<u>97,836</u>
 Number of directors to whom retirement benefits are accruing under a money purchase scheme	 Number	 Number
	<u>1</u>	<u>1</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2002

..... continued

6. Pension costs

The company operates a defined contribution pension scheme in respect of the employees and director. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £27,341 (2001 - £27,489).

7. Taxation

	2002 £	2001 £
UK current year taxation		
UK corporation tax at 30.00% (2001 - 30.00%)	160,334	205,987
Transfer from deferred taxation	(2,416)	6,155
	<u>157,918</u>	<u>212,142</u>
Prior years		
UK corporation tax	-	51
	<u>157,918</u>	<u>212,193</u>

8. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Improvements to Leasehold Property £	Total £
Cost				
At 1 December 2001	130,082	203,890	-	333,972
Additions	3,204	21,354	16,211	40,769
Disposals	-	(70,078)	-	(70,078)
At 30 November 2002	<u>133,286</u>	<u>155,166</u>	<u>16,211</u>	<u>304,663</u>
Depreciation				
At 1 December 2001	69,436	82,543	-	151,979
On disposals	-	(51,456)	-	(51,456)
Charge for the year	8,250	39,298	325	47,873
At 30 November 2002	<u>77,686</u>	<u>70,385</u>	<u>325</u>	<u>148,396</u>
Net book values				
At 30 November 2002	<u>55,600</u>	<u>84,781</u>	<u>15,886</u>	<u>156,267</u>
At 30 November 2001	<u>60,646</u>	<u>121,347</u>	<u>-</u>	<u>181,993</u>

Met-Clad Contracts Limited

**Notes to the financial statements
for the year ended 30 November 2002**

..... continued

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

Asset description	2002		2001	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	<u>70,463</u>	<u>28,955</u>	<u>78,063</u>	<u>18,792</u>
9. Debtors			2002 £	2001 £
Trade debtors			2,005,300	2,416,047
Amount owed by connected companies			1,409,015	736,201
Other debtors			8,850	21,424
Prepayments and accrued income			<u>11,634</u>	<u>20,780</u>
			<u>3,434,799</u>	<u>3,194,452</u>
10. Creditors: amounts falling due within one year			2002 £	2001 £
Bank overdraft			163,369	-
Net obligations under finance leases and hire purchase contracts			29,055	-
Trade creditors			1,041,497	1,515,476
Amounts owed to connected companies			134,873	114,496
Corporation tax			72,408	165,987
Other taxes and social security costs			155,461	48,563
Other creditors			-	(1,034)
Accruals and deferred income			<u>62,914</u>	<u>64,540</u>
			<u>1,659,577</u>	<u>1,908,028</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.

Met-Clad Contracts Limited

**Notes to the financial statements
for the year ended 30 November 2002**

..... continued

11.	Creditors: amounts falling due after more than one year	2002 £	2001 £
	Net obligations under finance leases and hire purchase contracts	<u>14,997</u>	<u>51,245</u>
12	Provisions for liabilities and charges		
		Deferred taxation (Note 13) £	Total £
	At 1 December 2001	9,706	9,706
	Movements in the year	<u>2,416</u>	<u>2,416</u>
	At 30 November 2002	<u>7,290</u>	<u>7,290</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2002

..... continued

13. Deferred taxation

Deferred tax is analysed over the following timing differences:

	Not provided		Provided	
	2002	2001	2002	2001
	£	£	£	£
Accelerated capital allowances	-	-	7,290	9,706

Movements on the provision for deferred taxation are:

	2002	2001
	£	£
At 1 December 2001	9,706	9,706
Transferred to profit and loss account	(2,416)	-
At 30 November 2002	7,290	9,706

14. Share capital

Authorised equity

1,000 Ordinary shares of £1 each

2002	2001
£	£
1,000	1,000

Allotted, called up and fully paid equity

1,000 Ordinary shares of £1 each

2002	2001
£	£
1,000	1,000

15. Reconciliation of movements in shareholders' funds

Profit for the year

Opening shareholders' funds

Closing shareholders' funds

2002	2001
£	£
354,403	475,443
1,555,410	1,079,967
1,909,813	1,555,410

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2002

..... continued

16. Related party transactions

D J Meer, the controlling director of Met-Clad Contracts Limited, was also a director of Prism Limited until 9 April 2002 when he resigned and sold his 50% share holding.

Goods and services amounting to £185,334 (2001-£344,720) were received from Prism Limited during the year on normal commercial terms and the balance owing at the year end was £27,595 (2001-£322).

Goods and services amounting to £14,824 (2001-£20,011) were supplied to Prism Limited during the year on normal commercial terms and the balance due from Prism Limited at the year end was £15,503 (2001-£Nil).

Prism Limited is registered in England.

17. 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.

18. Gross cash flows

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	2,633	9,051
Interest paid	(5,787)	(5,993)
	<u>(3,154)</u>	<u>3,058</u>
Taxation		
Corporation tax paid	<u>(253,913)</u>	<u>(342,325)</u>
Capital expenditure		
Payments to acquire tangible assets	(21,819)	(50,495)
Receipts from sales of tangible assets	12,042	38,650
	<u>(9,777)</u>	<u>(11,845)</u>
Financing		
Capital element of finance leases and hire purchase contracts	<u>(26,143)</u>	<u>(15,105)</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2002

..... continued

19. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	147,944	(147,333)		611
Overdrafts	-	(163,369)		(163,369)
	<u>147,944</u>	<u>(310,702)</u>		<u>(162,758)</u>
Finance leases and hire purchase contracts	(51,245)	26,143	(18,950)	(44,052)
Net funds	<u>96,699</u>	<u>(284,559)</u>	<u>(18,950)</u>	<u>(206,810)</u>