



MET-CLAD CONTRACTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2012

Company Registration Number 03185456

MET-CLAD CONTRACTS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Independent auditor's report to the members	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8
The following pages do not form part of the statutory financial statements	
Detailed profit and loss account	18
Notes to the detailed profit and loss account	19

MET-CLAD CONTRACTS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 NOVEMBER 2012

The board of directors	M S Village A Pickering P Cosford S J A Collinson
Company secretary	C L Oldham
Business address	Hazelford Way Newstead Village Nottingham NG15 0DQ
Registered office	Hazelford Way Newstead Village Nottingham NG15 0DQ
Auditor	RSM Tenon Audit Limited Rivermead House 7 Lewis Court Grove Park Enderby Leicestershire LE19 1SD
Bankers	National Westminster Bank Plc 18 South Parade Nottingham NG1 2JX

MET-CLAD CONTRACTS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2012

The directors present their report and the financial statements of the company for the year ended 30 November 2012

Principal activity and business review

The principal activity of the company during the year was that of a roofing and cladding specialist

On 2 April 2012, following a group re-organisation the entire issued equity share capital of the company was acquired by the ultimate parent company Met-Clad Contracts Group Limited at market value

Turnover for the year ended 30 November 2012 reduced by 3.6% to £14,170,182. Improvements in gross margins from 18.3% to 19.1% has resulted in an operating profit before exceptional items of £343,930 compared to £438,545 in 2011. The results are in line with the directors' expectations.

The company's market place remains challenging due to the uncertainty in the general macro-economic climate. However, as a result of a planned ongoing strategy of investment in the successful development of the company's customer base and its dedication to high service levels, the directors are optimistic for the company's future prospects.

Results and dividends

The profit for the year, after taxation, amounted to £273,723. Particulars of dividends paid are detailed in note 8 to the financial statements.

Financial risk management objectives and policies

The company makes use of financial instruments principally through the operation of bank accounts, including an overdraft facility, and hire purchase agreements and is therefore exposed to interest rate, cash flow and liquidity risk. The directors' objectives are to retain sufficient liquid funds to enable the company to meet its day to day obligations as they fall due and to maximise returns on surplus funds.

Directors

The directors who served the company during the year were as follows:

M S Village
A Pickering
P Cosford
R A Whitehead
S J A Collinson

S J A Collinson was appointed as a director on 9 October 2012.

R A Whitehead resigned as a director on 30 March 2012.

MET-CLAD CONTRACTS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2012

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 period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- 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, individually, 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

RSM Tenon Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors



M S Village
Director

Approved by the directors on 18 March 2013

MET-CLAD CONTRACTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MET-CLAD CONTRACTS LIMITED
YEAR ENDED 30 NOVEMBER 2012

We have audited the financial statements of Met-Clad Contracts Limited for the year ended 30 November 2012 on pages 6 to 16. 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 members, 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 members 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 members 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 page 3, 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 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 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 30 November 2012 and of its profit 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.

MET-CLAD CONTRACTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MET-CLAD CONTRACTS LIMITED *(continued)*
YEAR ENDED 30 NOVEMBER 2012

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

RSM Tenon Audit Limited

Kelly Boorman, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited
Statutory Auditor
Rivermead House
7 Lewis Court
Grove Park
Enderby
Leicestershire
LE19 1SD

18 March 2013

MET-CLAD CONTRACTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2012

	Note	2012 £	2011 £
Turnover	2	14,170,182	14,704,900
Cost of sales		(11,469,296)	(12,012,804)
Gross profit		<u>2,700,886</u>	<u>2,692,096</u>
Administrative expenses		(2,321,649)	(2,823,192)
Operating profit/(loss)	3	<u>379,237</u>	<u>(131,096)</u>
Attributable to			
Operating profit before exceptional items		343,930	438,545
Exceptional items	3	<u>35,307</u>	<u>(569,641)</u>
		379,237	(131,096)
Interest receivable		51	22
Interest payable and similar charges	6	(31,695)	(38,373)
Profit/(loss) on ordinary activities before taxation		<u>347,593</u>	<u>(169,447)</u>
Tax on profit/(loss) on ordinary activities	7	(73,870)	(100,693)
Profit/(loss) for the financial year		<u><u>273,723</u></u>	<u><u>(270,140)</u></u>

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

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

MET-CLAD CONTRACTS LIMITED

Registered Number 03185456

BALANCE SHEET**30 NOVEMBER 2012**

	Note	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	9		306,557		374,508
Current assets					
Debtors	10	7,417,918		8,202,919	
Cash in hand		19,908		22,834	
		<u>7,437,826</u>		<u>8,225,753</u>	
Creditors: amounts falling due within one year	11	<u>(3,817,465)</u>		<u>(4,731,714)</u>	
Net current assets			3,620,361		3,494,039
Total assets less current liabilities			<u>3,926,918</u>		<u>3,868,547</u>
Creditors, amounts falling due after more than one year	12		(66,188)		(146,540)
Provisions for liabilities					
Deferred taxation	14		(7,500)		(19,000)
			<u>3,853,230</u>		<u>3,703,007</u>
Capital and reserves					
Called-up share capital	18		1,000		1,000
Profit and loss account	19		3,852,230		3,702,007
Shareholders' funds	20		<u>3,853,230</u>		<u>3,703,007</u>

These financial statements were approved by the directors and authorised for issue on 18 March 2013, and are signed on their behalf by



M S Village
Director

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

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its immediate and ultimate parent company, Met-Clad Contracts Group Limited, publishes a consolidated cash flow statement

Turnover

Turnover, which is net of value added tax and trade discounts represents the value of contract work done in the year

Long-term contracts

Long-term contracts are determined and classified according to the provisions of Statement of Standard Accounting Practice 9

Revenue is recognised according to the stage of completion of the contract assessed by percentage completion and value of work done, less provision for contingencies and losses

Profit on long term contracts is taken as the work progresses if the outcome of the contract can be assessed with reasonable certainty

Estimates of total contract costs and revenues are reviewed periodically, and the cumulative effects of changes are recognised in the period in which they are identified All known or anticipated losses are provided for in full as soon as they are foreseen

Revenues recognised in excess of amounts billed are classified as amounts recoverable on contracts and included in debtors Net costs incurred in excess of amounts transferred to cost of sales are classified as long-term contract balances Amounts billed in excess of revenues recognised to date are deducted from related long-term contract balances with any residual balance being classified as payments on account and included in creditors Long-term contract balances are stated at contract cost incurred less amounts transferred to cost of sales, foreseeable losses, and payments on account

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Cost represents purchase price together with any incidental costs of acquisition

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Leasehold property	- 2% straight line basis
Plant & machinery	- 15% reducing balance basis
Motor vehicles	- 33% reducing balance basis

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

1. Accounting policies *(continued)*

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet at their fair value and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

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 tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

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.

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

2. Turnover

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

An analysis of turnover is given below

	2012 £	2011 £
United Kingdom	<u>14,170,182</u>	<u>14,704,900</u>

3. Operating profit/(loss)

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

	2012 £	2011 £
Depreciation of owned fixed assets	22,347	31,085
Depreciation of assets held under hire purchase agreements	93,755	70,909
Loss on disposal of fixed assets	1,946	2,387
Operating lease costs		
-Other	6,101	8,628
Auditor's remuneration - audit of the financial statements	10,500	11,000
Auditor's remuneration - other fees	19,348	17,777
Exceptional item	<u>(35,307)</u>	<u>569,641</u>

Exceptional items in 2011 and 2012 included within administrative expenses relates to intercompany debt waivers

Auditor's remuneration - other fees

- Accountancy	13,000	10,646
- Taxation	3,775	3,881
- Other advisory	2,573	3,250
	<u>19,348</u>	<u>17,777</u>

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

4. Particulars of employees

The average number of employees, including directors, employed by the company during the financial year amounted to

	2012	2011
	No	No
Production	24	26
Office and management	30	29
	<u>54</u>	<u>55</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	1,947,333	1,877,287
Social security costs	214,938	209,840
Other pension costs	22,837	21,961
	<u>2,185,108</u>	<u>2,109,088</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	360,827	382,640
Value of company pension contributions to money purchase schemes	19,197	18,913
	<u>380,024</u>	<u>401,553</u>

Remuneration of highest paid director:

	2012	2011
	£	£
Total remuneration (excluding pension contributions)	149,625	130,711
Value of company pension contributions to money purchase schemes	8,667	6,933
	<u>158,292</u>	<u>137,644</u>

The number of directors on whose behalf the company made pension contributions was as follows

	2012	2011
	No	No
Money purchase schemes	<u>4</u>	<u>5</u>

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

6 Interest payable and similar charges

	2012	2011
	£	£
Interest payable on bank borrowing	13,138	16,145
Finance charges	18,557	22,228
	<u>31,695</u>	<u>38,373</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2012	2011
	£	£
In respect of the year		
UK Corporation tax	91,307	81,741
Over provision in prior year	(5,937)	(48)
	<u>85,370</u>	<u>81,693</u>
Deferred tax		
Origination and reversal of timing differences	(11,500)	19,000
Tax on profit/(loss) on ordinary activities	<u>73,870</u>	<u>100,693</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24% (2011 - 26%)

	2012	2011
	£	£
Profit/(loss) on ordinary activities before taxation	<u>347,593</u>	<u>(169,447)</u>
Profit/(loss) on ordinary activities multiplied by the appropriate rate of tax	83,422	(44,056)
Effects of		
Expenses not deductible for tax purposes	4,495	494
Difference between capital allowances and depreciation	10,803	(24,785)
Tax chargeable at lower rates	1,061	1,981
Adjustments to tax charge in respect of previous periods	(5,937)	(48)
Intercompany debt waiver	(8,474)	148,107
Total current tax (note 7(a))	<u>85,370</u>	<u>81,693</u>

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

8. Dividends

Equity dividends

	2012 £	2011 £
Paid during the year	<u>123,500</u>	<u>—</u>

9. Tangible fixed assets

	Leasehold property £	Plant & machinery £	Motor vehicles £	Total £
Cost				
At 1 December 2011	60,945	140,136	524,609	725,690
Additions	13,622	1,620	59,980	75,222
Disposals	—	—	(97,542)	(97,542)
At 30 November 2012	<u>74,567</u>	<u>141,756</u>	<u>487,047</u>	<u>703,370</u>
Depreciation				
At 1 December 2011	3,802	121,838	225,542	351,182
Charge for the year	1,446	3,328	111,328	116,102
On disposals	—	—	(70,471)	(70,471)
At 30 November 2012	<u>5,248</u>	<u>125,166</u>	<u>266,399</u>	<u>396,813</u>
Net book value				
At 30 November 2012	<u>69,319</u>	<u>16,590</u>	<u>220,648</u>	<u>306,557</u>
At 30 November 2011	<u>57,143</u>	<u>18,298</u>	<u>299,067</u>	<u>374,508</u>

Hire purchase agreements

Included within the net book value of £306,557 is £205,515 (2011 - £273,665) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £93,755 (2011 - £70,909).

10. Debtors

	2012 £	2011 £
Trade debtors	1,878,637	2,624,230
Amounts owed by group undertakings	3,729,595	3,750,931
Amounts recoverable on long term contracts	1,543,995	1,515,908
Prepayments and accrued income	265,691	311,850
	<u>7,417,918</u>	<u>8,202,919</u>

Included within trade debtors are retentions due after more than one year of £45,137 (2011 £125,466).

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

11. Creditors' amounts falling due within one year

	2012 £	2011 £
Overdrafts	651,888	789,834
Trade creditors	2,567,871	3,208,456
Amounts owed to group undertakings	14,154	33,280
Corporation tax	93,440	81,741
Other taxation and social security	275,949	327,089
Hire purchase agreements	84,461	101,079
Other creditors	20,010	24,694
Accruals and deferred income	109,692	165,541
	<u>3,817,465</u>	<u>4,731,714</u>

The bank overdraft is secured by a legal charge over the freehold property in the group, a charge over all assets of this company, and a cross guarantee with certain group undertakings

12. Creditors. amounts falling due after more than one year

	2012 £	2011 £
Hire purchase agreements	<u>66,188</u>	<u>146,540</u>

13 Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	2012 £	2011 £
Amounts payable within 1 year	84,461	101,079
Amounts payable between 1 and 2 years	45,677	80,361
Amounts payable between 3 and 5 years	20,511	66,179
	<u>150,649</u>	<u>247,619</u>

Obligations under hire purchase agreements are secured on the assets to which they relate

14 Deferred taxation

The movement in the deferred taxation provision during the year was

	2012 £	2011 £
At 1 December 2011	19,000	-
Profit and loss account movement arising during the year	(11,500)	19,000
At 30 November 2012	<u>7,500</u>	<u>19,000</u>

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

14. Deferred taxation (continued)

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

	2012 £	2011 £
Excess of taxation allowances over depreciation on fixed assets	7,500	19,000
	<u>7,500</u>	<u>19,000</u>

15. Commitments under operating leases

At 30 November 2012 the company had annual commitments under non-cancellable operating leases as set out below

	Other 2012 £	Other 2011 £
Operating leases which expire		
Within 1 year	1,485	5,382
Within 2 to 5 years	19,790	1,690
After more than 5 years	-	290
	<u>21,275</u>	<u>7,362</u>

16. Contingent liabilities

The company is party to a cross guarantee relating to the Met-Clad Contracts Group Limited group total bank borrowing. At 30 November 2012, the bank borrowing relating to the cross guarantee was £nil (2011 £nil)

The company has contingent liabilities in respect of performance bonds on certain contracts for £169,753 (2011 £169,753)

17. Related party transactions

At the year end an outstanding balance of £nil (2011 £20,846) was owed to the company by M S Village, a director, and shareholder of the ultimate parent company. The maximum balance outstanding and total advances during the year was £95,846 (2011 £20,846)

During the year the company sold a motor vehicle for £3,750 to M S Village, a director, and shareholder of the ultimate parent company. This was deemed to be an amount equal to the market value.

All transactions took place at arms length

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with other group entities whose voting rights are 100% controlled within the group

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

18. Share capital

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

19 Profit and loss account

	2012	2011
	£	£
Balance brought forward	3,702,007	3,972,147
Profit/(loss) for the financial year	273,723	(270,140)
Equity dividends	(123,500)	-
Balance carried forward	<u>3,852,230</u>	<u>3,702,007</u>

20. Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Profit/(loss) for the financial year	273,723	(270,140)
Equity dividends	(123,500)	-
Net addition/(reduction) to shareholders' funds	150,223	(270,140)
Opening shareholders' funds	3,703,007	3,973,147
Closing shareholders' funds	<u>3,853,230</u>	<u>3,703,007</u>

21. Immediate and ultimate parent undertaking

The immediate parent undertaking was Met-Clad Contracts (Holdings) Limited until 2 April 2012 when following a group re-organisation the entire issued equity share capital was acquired by the ultimate parent company Met-Clad Contracts Group Limited at market value. Both companies are registered in England and Wales.

The smallest and largest group in which these accounts are consolidated is the group headed by Met-Clad Contracts Group Limited, copies of whose financial statements may be obtained from the Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff.

22. Ultimate controlling party

The company is controlled by M S Village by virtue of his controlling interest in the issued equity share capital of the immediate and ultimate parent company Met-Clad Contracts Group Limited.