

MET-CLAD CONTRACTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2010

Company Registration Number 3185456

TUESDAY



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MET-CLAD CONTRACTS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

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MET-CLAD CONTRACTS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 NOVEMBER 2010

The board of directors	J R Lowe P Cosford M S Village A Pickering R A Whitehead
Business address	Hazelford Way Newstead Village Nottingham NG15 0DQ
Registered office	1 Bede Island Road Bede Island Business Park Leicester LE2 7EA
Auditor	RSM Tenon Audit Limited Statutory Auditor 1 Bede Island Road Bede Island Business Park Leicester LE2 7EA
Bankers	National Westminster Bank plc 16 South Parade Nottingham NG1 2JX

MET-CLAD CONTRACTS LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 30 NOVEMBER 2010

The directors present their report and the financial statements of the company for the year ended 30 November 2010

Principal activity and business review

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

During the year the company grew its turnover from £9.3m to £15.0m, representing an increase of some 62.4% on the prior year. This growth was achieved in a controlled manner, was wholly in line with the directors' forecast expectations and as a consequence resulted in an increase in operating profit before exceptional items to £510,678, from £448,758 in the prior year.

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 the 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 £656,453. The directors have not recommended a dividend.

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:

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

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

MET-CLAD CONTRACTS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 NOVEMBER 2010

Director's responsibilities *(continued)*

- 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 19 April 2011

MET-CLAD CONTRACTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MET-CLAD CONTRACTS LIMITED
YEAR ENDED 30 NOVEMBER 2010

We have audited the financial statements of Met-Clad Contracts Limited for the year ended 30 November 2010 on pages 6 to 15. 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 pages 2 to 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.

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 2010 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 2010

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



Christopher Darlington, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited
Statutory Auditor
1 Bede Island Road
Bede Island Business Park
Leicester
LE2 7EA

19 April 2011

MET-CLAD CONTRACTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2010

	Note	2010 £	2009 £
Turnover	2	15,045,397	9,264,150
Cost of sales		(12,603,645)	(6,896,565)
Gross profit		<u>2,441,752</u>	<u>2,367,585</u>
Administrative expenses		(1,630,776)	(1,918,827)
Operating profit	3	<u>810,976</u>	<u>448,758</u>
Interest receivable and similar income		75	1,259
Interest payable and similar charges	6	(19,700)	(29,311)
Profit on ordinary activities before taxation		<u>791,351</u>	<u>420,706</u>
Tax on profit on ordinary activities	7	(134,898)	(123,893)
Profit for the financial year		<u><u>656,453</u></u>	<u><u>296,813</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 15 form part of these financial statements

MET-CLAD CONTRACTS LIMITED*Registered Number 3185456***BALANCE SHEET****30 NOVEMBER 2010**

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	8	292,302	167,591
Current assets			
Debtors	9	7,705,832	6,025,769
Cash in hand		23,348	22,992
		<u>7,729,180</u>	<u>6,048,761</u>
Creditors: amounts falling due within one year	10	<u>(3,971,033)</u>	<u>(2,881,425)</u>
Net current assets		3,758,147	3,167,336
Total assets less current liabilities		<u>4,050,449</u>	<u>3,334,927</u>
Creditors: amounts falling due after more than one year	11	<u>(77,302)</u>	<u>(18,233)</u>
Net assets		<u>3,973,147</u>	<u>3,316,694</u>
Capital and reserves			
Called-up share capital	16	1,000	1,000
Profit and loss account	17	3,972,147	3,315,694
Shareholders' funds	18	<u>3,973,147</u>	<u>3,316,694</u>

These financial statements were approved by the directors and authorised for issue on 19 April 2011, and are signed on their behalf by



M S Village
Director

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

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

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 parent 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

Turnover represents, in the case of long-term contracts, the proportion of contract value applicable to the activity in the year, ascertained by reference to actual costs. The related costs are matched with turnover, resulting in the reporting of attributable profit proportionate to the contract activity

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

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 2010

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.

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.

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.

	2010	2009
	£	£
United Kingdom	<u>15,045,397</u>	<u>9,264,150</u>

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

3. Operating profit

Operating profit is stated after charging/(crediting)

	2010	2009
	£	£
Depreciation of owned fixed assets	30,830	15,151
Depreciation of assets held under hire purchase agreements	49,775	56,760
Loss/(profit) on disposal of fixed assets	1,381	(346)
Operating lease costs		
-Other	12,505	11,611
Auditor's remuneration - audit of the financial statements	9,450	6,900
Auditor's remuneration - other fees	28,311	-
Exceptional income	<u>(300,298)</u>	<u>-</u>

Exceptional income included within administrative expenses relates to an intercompany debt waiver

	2010	2009
	£	£
Auditor's remuneration - other fees		
- Accountancy	20,581	-
- Taxation	5,500	-
- Other advisory	2,230	-
	<u>28,311</u>	<u>-</u>

4. Particulars of employees

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

	2010	2009
	No	No
Production	29	28
Office and management	29	29
	<u>58</u>	<u>57</u>

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	1,810,870	1,696,809
Social security costs	182,165	182,675
Other pension costs	15,425	28,222
	<u>2,008,460</u>	<u>1,907,706</u>

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2010	2009
	£	£
Remuneration receivable	341,397	348,300
Value of company pension contributions to money purchase schemes	15,425	28,222
	<u>356,822</u>	<u>376,522</u>

Remuneration of highest paid director:

	2010	2009
	£	£
Total remuneration (excluding pension contributions)	83,165	86,498
Value of company pension contributions to money purchase schemes	4,800	4,233
	<u>87,965</u>	<u>90,731</u>

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

	2010	2009
	No	No
Money purchase schemes	<u>4</u>	<u>5</u>

6 Interest payable and similar charges

	2010	2009
	£	£
Interest payable on bank borrowing	8,566	17,888
Finance charges	11,134	11,423
	<u>19,700</u>	<u>29,311</u>

7 Taxation on ordinary activities

(a) Analysis of charge in the year

	2010	2009
	£	£
In respect of the year		
UK Corporation tax	134,898	125,744
Deferred tax		
Origination and reversal of timing differences	-	(1,851)
Tax on profit on ordinary activities	<u>134,898</u>	<u>123,893</u>

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

7. Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010 £	2009 £
Profit on ordinary activities before taxation	791,351	420,706
Profit on ordinary activities by rate of tax	221,578	117,798
Effects of		
Expenses not deductible for tax purposes	3,484	1,837
Difference between capital allowances and depreciation	(741)	6,947
Tax chargeable at lower rates	(300)	(838)
Non taxable income	(84,083)	-
Group relief	(5,040)	-
Total current tax (note 7(a))	134,898	125,744

8 Tangible fixed assets

	Leasehold property £	Plant & machinery £	Motor vehicles £	Total £
Cost				
At 1 December 2009	16,211	133,886	349,127	499,224
Additions	28,954	4,026	196,569	229,549
Disposals	-	-	(102,794)	(102,794)
At 30 November 2010	45,165	137,912	442,902	625,979
Depreciation				
At 1 December 2009	2,594	115,965	213,074	331,633
Charge for the year	324	2,740	77,541	80,605
On disposals	-	-	(78,561)	(78,561)
At 30 November 2010	2,918	118,705	212,054	333,677
Net book value				
At 30 November 2010	42,247	19,207	230,848	292,302
At 30 November 2009	13,617	17,921	136,053	167,591

Hire purchase agreements

Included within the net book value of £292,302 is £178,711 (2009 - £106,780) 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 £49,775 (2009 - £56,760)

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

9 Debtors

	2010 £	2009 £
Trade debtors	1,078,295	151,809
Amounts owed by group undertakings	4,120,572	3,739,931
Amounts recoverable on long term contracts	2,261,565	1,980,936
Prepayments and accrued income	245,400	153,093
	<u>7,705,832</u>	<u>6,025,769</u>

10 Creditors: amounts falling due within one year

	2010 £	2009 £
Overdraft	638,889	739,150
Trade creditors	2,634,633	1,160,853
Amounts owed to group undertakings	8,000	270,337
Corporation tax	134,898	125,744
Other taxation and social security	310,384	405,468
Hire purchase agreements (note 12)	84,204	50,770
Other creditors	18,432	22,413
Accruals and deferred income	141,593	106,690
	<u>3,971,033</u>	<u>2,881,425</u>

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

11. Creditors: amounts falling due after more than one year

	2010 £	2009 £
Hire purchase agreements (note 12)	<u>77,302</u>	<u>18,233</u>

12 Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	2010 £	2009 £
Amounts payable within 1 year	84,204	50,770
Amounts payable between 1 and 2 years	56,992	18,233
Amounts payable between 3 and 5 years	20,310	-
	<u>161,506</u>	<u>69,003</u>

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

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

13. Commitments under operating leases

At 30 November 2010, the company had annual commitments under non-cancellable operating leases as set out below

	Other 2010 £	Other 2009 £
Operating leases which expire		
Within 1 year	618	806
Within 2 to 5 years	2,261	4,766
	<u>2,879</u>	<u>5,572</u>

14. Contingent liability

The company is party to a cross guarantee relating to FB 86 Limited's group total bank borrowing. At 30 November 2010, the net bank borrowing relating to the cross guarantee was £615,541 (2009 £716,158)

15. Related party transactions

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, as the consolidated financial statements of the group are publicly available

16. Share capital

Allotted, called up and fully paid

	2010	£	2009	£
	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>

17. Profit and loss account

	2010 £	2009 £
Balance brought forward	3,315,694	3,018,881
Profit for the financial year	656,453	296,813
Balance carried forward	<u>3,972,147</u>	<u>3,315,694</u>

18. Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	656,453	296,813
Opening shareholders' funds	3,316,694	3,019,881
Closing shareholders' funds	<u>3,973,147</u>	<u>3,316,694</u>

MET-CLAD CONTRACTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

19. Immediate and ultimate parent undertaking

The immediate parent undertaking is Met-Clad Contracts (Holdings) Limited. The ultimate parent undertaking is FB 86 Limited. Both companies are registered in England and Wales.

The smallest and largest group in which these accounts are consolidated is the group headed by FB 86 Limited, copies of whose financial statements may be obtained from the Registrar of Companies, Companies House, Crown Way, Maundy, Cardiff.

20. Ultimate controlling party

The ultimate controlling party was M W Mayfield by virtue of his controlling interest in the issued equity share capital of Castlegate 172 Limited, until 28 May 2010 when FB86 Limited acquired the entire issued share capital of Castlegate 172 Limited, at which point M S Village became the ultimate controlling party.

At 30 November 2010, the company is controlled by M S Village by virtue of his controlling interest in the issued equity share capital of the ultimate parent company FB 86 Limited.