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Registration number 3185456

Met-Clad Contracts Limited
Directors' report and financial statements
for the year ended 30 November 2003



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Met-Clad Contracts Limited

Company information

Directors	D Meer	
	R A Whitehead	Appointed 7 February 2003
	A Pickering	Appointed 7 February 2003
	D Mundell	Appointed 7 February 2003
	P Cosford	Appointed 7 February 2003
	P Merryweather	Appointed 7 February 2003
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

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Met-Clad Contracts Limited

Directors' report for the year ended 30 November 2003

The directors present their report and the financial statements for the year ended 30 November 2003.

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	
		30/11/03	01/12/02
D Meer		-	-
R A Whitehead	Appointed 7 February 2003	-	-
A Pickering	Appointed 7 February 2003	-	-
D Mundell	Appointed 7 February 2003	-	-
P Cosford	Appointed 7 February 2003	-	-
P Merryweather	Appointed 7 February 2003	-	-

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:

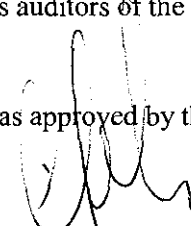
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 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.

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 30 January 2004 and signed on its behalf by


~~R E Lomas~~ D.J. Meer
~~Secretary~~ Director

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 2003 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.

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 2003 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
30 January 2004



12 Bridgford Road
West Bridgford
Nottingham
NG2 6AB

Met-Clad Contracts Limited

**Profit and loss account
for the year ended 30 November 2003**

		Continuing operations	
		2003	2002
	Notes	£	£
Turnover		7,926,023	6,790,028
Cost of sales		(6,042,714)	(4,896,488)
Gross profit		1,883,309	1,893,540
Administrative expenses		(1,518,526)	(1,378,065)
Operating profit	2	364,783	515,475
Other interest receivable and similar income	3	139	2,633
Interest payable and similar charges	4	(22,541)	(5,787)
Profit on ordinary activities before taxation		342,381	512,321
Tax on profit on ordinary activities	7	(102,779)	(157,918)
Retained profit for the year		239,602	354,403
Retained profit brought forward		1,908,813	1,554,410
Retained profit carried forward		2,148,415	1,908,813

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 2003**

		2003		2002	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		143,684		156,267
Current assets					
Debtors	9	3,893,002		3,434,799	
Cash at bank and in hand		593		611	
		<u>3,893,595</u>		<u>3,435,410</u>	
Creditors: amounts falling due within one year	11	<u>(1,871,731)</u>		<u>(1,659,577)</u>	
Net current assets			<u>2,021,864</u>		<u>1,775,833</u>
Total assets less current liabilities			2,165,548		1,932,100
Creditors: amounts falling due after more than one year	10		(13,889)		(14,997)
Provisions for liabilities and charges	12		<u>(2,244)</u>		<u>(7,290)</u>
Net assets			<u>2,149,415</u>		<u>1,909,813</u>
Capital and reserves					
Called up share capital	14		1,000		1,000
Profit and loss account			<u>2,148,415</u>		<u>1,908,813</u>
Equity shareholders' funds	15		<u>2,149,415</u>		<u>1,909,813</u>

The financial statements were approved by the Board on 30 January 2004 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 2003

	Notes	2003 £	2002 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		364,783	515,475
Depreciation		47,583	54,453
(Increase) in debtors		(458,203)	(240,347)
Increase in creditors		113,241	(347,296)
Net cash inflow from operating activities		<u>67,404</u>	<u>(17,715)</u>
Cash flow statement			
Net cash inflow from operating activities		67,404	(17,715)
Returns on investments and servicing of finance	17	(22,402)	(3,154)
Taxation	17	(113,693)	(253,913)
Capital expenditure	17	(5,000)	(9,777)
		(73,691)	(284,559)
Financing	17	(36,419)	(26,143)
Decrease in cash in the year		<u>(110,110)</u>	<u>(310,702)</u>
Reconciliation of net cash flow to movement in net debt (Note 18)			
Decrease in cash in the year		(110,110)	(310,702)
Cash outflow from increase in debts and lease financing		36,419	26,143
Change in net resulting from cash flows		(73,691)	(284,559)
New finance leases and hire purchase contracts		(30,000)	(18,950)
Movement in net debt in the year		(103,691)	(303,509)
Net debt at 1 December 2002		(206,810)	96,699
Net debt at 30 November 2003		<u>(310,501)</u>	<u>(206,810)</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2003

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 provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

2. Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	47,583	47,873
Loss on disposal of tangible fixed assets	-	6,580
Operating lease rentals		
- Plant and machinery	86,192	83,836
Auditors' remuneration	6,500	6,000

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2003

..... continued

3. Interest receivable and similar income	2003	2002
	£	£
Bank interest	69	2,632
Other interest	70	1
	<u>139</u>	<u>2,633</u>
4. Interest payable and similar charges	2003	2002
	£	£
On bank loans and overdrafts	18,046	-
Hire purchase interest	4,495	3,713
On overdue tax	-	2,074
	<u>22,541</u>	<u>5,787</u>
5. Employees		
Number of employees		
The average monthly numbers of employees (including the directors) during the year were:	2003	2002
Office and management	29	28
Production	25	24
	<u>54</u>	<u>52</u>
Employment costs	2003	2002
	£	£
Wages and salaries	1,181,873	1,131,914
Social security costs	126,643	115,945
Other pension costs	30,145	27,341
	<u>1,338,661</u>	<u>1,275,200</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2003

..... continued

5.1. Directors' emoluments

	2003	2002
	£	£
Remuneration and other emoluments	278,552	89,250
Pension contributions	19,518	7,440
	<u>298,070</u>	<u>96,690</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>6</u>	<u>1</u>
Highest paid director	£	£
Amounts included above:		
Emoluments and other benefits	55,276	53,250
Pension contributions	7,440	7,440
	<u>62,716</u>	<u>60,690</u>

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 £30,145 (2002 - £27,341).

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2003

..... continued

7. Tax on profit on ordinary activities

Analysis of charge in period	2003 £	2002 £
Current tax		
UK corporation tax at 30.00% (2002 - 30.00%)	107,540	160,334
Prior period adjustments	285	-
	<u>107,825</u>	<u>160,334</u>
Total current tax charge	107,825	160,334
Deferred tax		
Timing differences, origination and reversal	(5,046)	(2,416)
Total deferred tax	<u>(5,046)</u>	<u>(2,416)</u>
Tax on profit on ordinary activities	<u>102,779</u>	<u>157,918</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:

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>342,381</u>	<u>512,321</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 November 2002 : 30%)	102,714	153,696
Effects of:		
Expenses not deductible for tax purposes	3,606	6,097
Capital allowances for period in excess of depreciation	4,785	541
Adjustments to tax charge in respect of previous periods	285	-
Marginal relief	(3,565)	-
Current tax charge for period	<u>107,825</u>	<u>160,334</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2003

..... continued

8. Tangible fixed assets	Plant and machinery	Motor vehicles	Improvements to Leasehold Property	Total
	£	£	£	£
Cost				
At 1 December 2002	133,286	155,166	16,211	304,663
Additions	600	34,400	-	35,000
At 30 November 2003	133,886	189,566	16,211	339,663
Depreciation				
At 1 December 2002	77,686	70,385	325	148,396
Charge for the year	8,550	38,709	324	47,583
At 30 November 2003	86,236	109,094	649	195,979
Net book values				
At 30 November 2003	47,650	80,472	15,562	143,684
At 30 November 2002	55,600	84,781	15,886	156,267

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

Asset description	2003		2002	
	Net book value	Depreciation charge	Net book value	Depreciation charge
	£	£	£	£
Motor vehicles	64,986	18,860	70,463	28,955

9. Debtors	2003	2002
	£	£
Trade debtors	2,151,630	2,005,300
Amount owed by connected companies	1,720,775	1,409,015
Other debtors	9,700	8,850
Prepayments and accrued income	10,897	11,634
	3,893,002	3,434,799

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2003

..... continued

10. Creditors: amounts falling due after more than one year	2003 £	2002 £
Net obligations under finance leases and hire purchase contracts	<u>13,889</u>	<u>14,997</u>
11. Creditors: amounts falling due within one year	2003 £	2002 £
Bank overdraft	273,462	163,369
Net obligations under finance leases and hire purchase contracts	23,743	29,055
Trade creditors	1,229,821	1,041,497
Amounts owed to connected companies	154,285	134,873
Corporation tax	66,540	72,408
Other taxes and social security costs	103,120	155,461
Accruals and deferred income	<u>20,760</u>	<u>62,914</u>
	<u>1,871,731</u>	<u>1,659,577</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 Provisions for liabilities and charges

	Deferred taxation (Note 13) £	Total £
At 1 December 2002	7,290	7,290
Movements in the year	<u>5,046</u>	<u>5,046</u>
At 30 November 2003	<u>2,244</u>	<u>2,244</u>

Met-Clad Contracts Limited

Notes to the financial statements for the year ended 30 November 2003

..... continued

13. Provision for deferred taxation

	2003 £	2002 £
Accelerated capital allowances	<u>2,244</u>	<u>7,290</u>
Provision at 1 December 2002	7,290	
Deferred tax charge in profit and loss account	<u>(5,046)</u>	
Provision at 30 November 2003	<u>2,244</u>	

14. Share capital

	2003 £	2002 £
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>

15. Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the year	239,602	354,403
Opening shareholders' funds	<u>1,909,813</u>	<u>1,555,410</u>
Closing shareholders' funds	<u>2,149,415</u>	<u>1,909,813</u>

16. 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 2003

..... continued

17. Gross cash flows

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	139	2,633
Interest paid	(22,541)	(5,787)
	<u>(22,402)</u>	<u>(3,154)</u>
Taxation		
Corporation tax paid	(113,693)	(253,913)
	<u></u>	<u></u>
Capital expenditure		
Payments to acquire tangible assets	(5,000)	(21,819)
Receipts from sales of tangible assets	-	12,042
	<u>(5,000)</u>	<u>(9,777)</u>
Financing		
Capital element of finance leases and hire purchase contracts	(36,419)	(26,143)
	<u></u>	<u></u>

18. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	611	(18)		593
Overdrafts	(163,369)	(110,093)		(273,462)
	<u>(162,758)</u>	<u>(110,111)</u>		<u>(272,869)</u>
Finance leases and hire purchase contracts	(44,051)	36,419	(30,000)	(37,632)
Net funds	<u>(206,809)</u>	<u>(73,692)</u>	<u>(30,000)</u>	<u>(310,501)</u>