

Company Registration No 5714726

**ENGINEERING CONSTRUCTION
TRAINING LIMITED**

Report and Financial Statements

Year ended 31 December 2009

**Deloitte LLP
Leeds**

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ENGINEERING CONSTRUCTION TRAINING LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

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ENGINEERING CONSTRUCTION TRAINING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P J Davison
P A Emerson
P F Ellison

SECRETARY

P J Davison

REGISTERED OFFICE

Dalton Airfield Industrial Estate
Dalton
Thirsk
North Yorkshire
YO7 3JN

BANKERS

National Australia Bank Ltd
(Yorkshire Bank)
94 Albion Street
Leeds
LS1 6AG

SOLICITORS

Irwin Mitchell
21 Queen Street
Leeds
LS1 2TW

AUDITORS

Deloitte LLP
Chartered Accountants & Statutory Auditors
Leeds

ENGINEERING CONSTRUCTION TRAINING LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2009

ACTIVITIES

The company was established to undergo training within the construction industry, primarily for operatives employed by the Severfield-Rowen Group and started trading during 2009

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

Turnover is derived from the training of construction personnel, both internally and externally. Consequently, despite the current economic difficulties the directors are confident regarding the company's future prospects

DIRECTORS

The present membership of the board is noted on page 1. V Mulvanny served as a director until his death on 19 November 2009. All the other directors served throughout the financial year and subsequently

TREASURY

The company's treasury operates procedures designed to reduce or eliminate financial risk. The policies are approved by the Board and the use of financial instruments is strictly controlled.

The company's principal financial instruments comprise borrowings, cash and various items, such as trade debtors that arise directly from its operations.

GOING CONCERN

In determining whether the company's financial statements can be prepared on a going concern basis, the directors have considered all factors likely to affect its future development, performance and its financial position, including cash flows, liquidity position and group borrowing facilities and the risks and uncertainties relating to the company's business activities. The key factors considered by the directors were as follows:

- The implications of the challenging economic environment on the company's revenues and profits,
- The impact of the increasingly competitive environments within which the company operates, including pressures on margins and counterparty risks,
- The impact on our business of key suppliers being unable to meet their obligations to the company
- The potential mitigating actions that could be taken in the event that revenues are worse than expected, to ensure that operating profit and cash flows are protected, and
- The group headed by Severfield-Rowen Plc had access to a £70 million revolving credit facility to meet day-to-day working capital requirements at 31 December 2009. In March 2010 the facility was renewed at £40 million for three years.

The directors are in receipt of a letter of support from Severfield-Rowen Plc. Having considered all the factors impacting the company's business, including downside sensitivities, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

ENGINEERING CONSTRUCTION TRAINING LIMITED

DIRECTORS' REPORT

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



P J Davison
Secretary

2 November 2010

ENGINEERING CONSTRUCTION TRAINING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENGINEERING CONSTRUCTION TRAINING LIMITED

We have audited the financial statements of Engineering Construction Training Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, 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 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 (APB'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 the 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 31 December 2009 and of its loss 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.

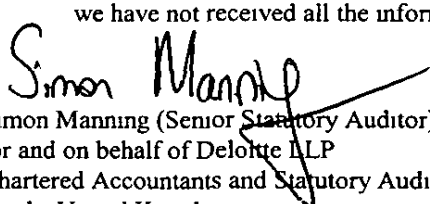
Opinion on other matter prescribed by the Companies Act 2006

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.

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.


Simon Manning (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Leeds, United Kingdom

4 November 2010

ENGINEERING CONSTRUCTION TRAINING LIMITED

PROFIT AND LOSS ACCOUNT

Year Ended 31 December 2009

	Note	2009 £	2008 £
TURNOVER – continuing operations	2	84,270	-
Cost of sales		(249,385)	-
GROSS LOSS		(165,115)	-
Administrative expenses		(28,490)	-
OPERATING LOSS – continuing operations	3	(193,605)	-
Interest receivable	5	19	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(193,586)	-
Tax on loss on ordinary activities	6	54,204	-
LOSS AFTER TAXATION FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	12	(139,382)	-

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses for the current and preceding financial years other than as stated in the profit and loss account

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

There have been no other movements in shareholders' funds during the current and the preceding financial years other than as stated in the profit and loss account

ENGINEERING CONSTRUCTION TRAINING LIMITED

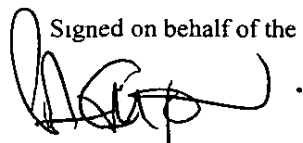
BALANCE SHEET

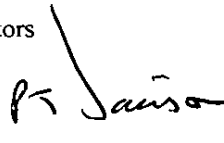
31 December 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Tangible fixed assets	7		11,921		-
CURRENT ASSETS					
Debtors	8	134,058		100	
Cash at bank and in hand		41,306		-	
		<u>175,364</u>		<u>100</u>	
CREDITORS: amounts falling due within one year	9	<u>(326,565)</u>		<u>-</u>	
NET CURRENT(LIABILITIES)/ASSETS			<u>(151,201)</u>		<u>100</u>
NET ASSETS LESS CURRENT LIABILITIES			<u>(139,280)</u>		<u>100</u>
PROVISIONS FOR LIABILITIES	10		<u>(2)</u>		<u>-</u>
NET (LIABILITIES)/ASSETS			<u><u>(139,282)</u></u>		<u><u>100</u></u>
CAPITAL AND RESERVES					
Called up share capital	11		100		100
Profit and loss account	12		<u>(139,382)</u>		<u>-</u>
TOTAL SHAREHOLDERS' (DEFICIT)/FUNDS			<u><u>(139,282)</u></u>		<u><u>100</u></u>

The financial statements of Engineering Construction Training Limited, registered number 5714726 were approved by the Board of Directors on 2 November 2010

Signed on behalf of the Board of Directors


P A Emerson
Director


P J Davison
Director

ENGINEERING CONSTRUCTION TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable UK accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the year and the preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention. The financial statements have been prepared on a going concern basis. Further details regarding the adoption of the going concern basis can be found in the Directors' report.

Turnover

Turnover, which excludes Value Added Tax, represents income received from providing training on various aspects of the construction industry. Revenue is recognised upon provision of the service.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets and liabilities are not discounted.

Tangible fixed assets

Depreciation is provided on fixed assets to write the cost of each asset over its estimated useful life at the following rates:

Motor vehicles	25% written down value
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Cash flow statement

The cash flows of the company are included in the consolidated group cash flow statement of Severfield-Rowen Plc. Accordingly the company has taken advantage of the exemption under the terms of Financial Reporting Standard No. 1 not to publish a cash flow statement.

ENGINEERING CONSTRUCTION TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

2. TURNOVER

The turnover, all of which arises in the United Kingdom, is attributable to the main activity of the company

3. OPERATING LOSS

Auditors remuneration of £1,000 (2008 £1,000) has been borne by another group company

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' remuneration was borne by another group company in the current and prior year. It is not practicable to ascertain what proportion of this remuneration related to the company. The company has no employees (2008 None)

5. INTEREST RECEIVABLE

	2009 £	2008 £
Interest receivable	19	-

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	2009 £	2008 £
(a) The tax charge comprises:		
Current tax		
UK corporation tax credit at 28.0% (2008 28.5%) based on loss for the year	(54,206)	
Total current tax credit	(54,206)	-
Deferred tax		
Current year charge	2	-
Total tax on loss on ordinary activities	(54,204)	-

ENGINEERING CONSTRUCTION TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

(b) Tax reconciliation

The difference between the total tax shown above and the amount calculated by applying the average rate of UK corporation tax to the loss is as follows

	2009 £	2008 £
Loss on ordinary activities before tax	(193,586)	-
Tax on loss on ordinary activities at standard UK corporation tax rate of 28.0% (2008 28.5%)	(54,204)	-
Effects of		
Capital allowances in excess of depreciation	(334)	-
Movement in short term timing differences	332	-
	(54,206)	-

7. TANGIBLE FIXED ASSETS

	Motor vehicles £
Cost	
At 1 January 2009	-
Transfer from other Group Companies	11,921
At 31 December 2009	11,921
Depreciation	
At 1 January 2009 and 31 December 2009	-
Net book value	
At 31 December 2009	11,921
At 31 December 2008	-

The assets were transferred at the year end. Consequently no depreciation charge has been made during the year.

8 DEBTORS

	2009 £	2008 £
Amounts due within one year		
Trade debtors	8,403	-
Amount owed by parent company	100	100
Amounts owed by fellow subsidiary undertakings	125,555	-
	134,058	100

ENGINEERING CONSTRUCTION TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

9. CREDITORS· AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Amounts owed to fellow subsidiary undertakings	314,550	-
Other taxation and social security	10,830	-
Other creditors and accruals	1,185	-
	<u>326,565</u>	<u>-</u>

10. PROVISIONS FOR LIABILITIES

	2009 £	2008 £
Deferred taxation		
Deferred taxation movement for the year		
Balance at 1 January	-	-
Current year charge	2	-
	<u>2</u>	<u>-</u>
Balance at 31 December	<u>2</u>	<u>-</u>

The amounts of deferred taxation provided at 31 December were as follows

	2009 £	2008 £
Capital allowances in excess of depreciation	334	-
Short term timing differences	(332)	-
	<u>2</u>	<u>-</u>
Balance at 31 December	<u>2</u>	<u>-</u>

There is no unprovided deferred tax (2008 £nil)

11. CALLED UP SHARE CAPITAL

	2009 £	2008 £
Authorised, allotted and fully paid		
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

12. PROFIT AND LOSS ACCOUNT

	2009 £	2008 £
At 1 January	-	-
Retained loss for the year	(139,382)	-
	<u>(139,382)</u>	<u>-</u>
At 31 December	<u>(139,382)</u>	<u>-</u>

13. CONTINGENT LIABILITIES

The company is party to a composite guarantee in favour of its bankers to secure the borrowings of group companies. At 31 December 2009 the total borrowings of the other group companies amounted to £29,472,000 (2008 £49,540,000)

ENGINEERING CONSTRUCTION TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted in paragraph 3(c) of Financial Reporting Standard No 8 not to disclose related party transactions with other group companies

There were no other related party transactions (2008 none)

15. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company and ultimate controlling party is Severfield-Rowen Plc (for which consolidated accounts are prepared), a company incorporated in Great Britain and registered in England and Wales. Copies of the group financial statements can be obtained from Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire, YO7 3JN