

# **MII Mechanical Installations International Limited**

Report and Financial Statements

Period Ended

31 December 2008

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**BDO Stoy Hayward**  
Chartered Accountants

# **MII Mechanical Installations International Limited**

## **Report and financial statements for the period ended 31 December 2008**

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### **Directors**

B Arnesen  
R Bazzard  
M Moody  
W Scotland  
K Staymann  
M C Brunner  
E I Lippert (appointed 1 February 2009)

### **Secretary and registered office**

J A Brand , Richmond House, 468 Chepstow Road, Newport, Gwent, NP9 8JF

### **Company number**

01817547

### **Auditors**

BDO Stoy Hayward LLP, One Victoria Street, Bristol, BS1 6AA

# **MII Mechanical Installations International Limited**

## **Report of the directors for the period ended 31 December 2008**

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The directors present their report together with the audited financial statements for the period ended 31 December 2008.

### **Results and dividends**

The profit and loss account is set out on page 6 and shows the loss for the period.

### **Principal activities, review of business and future developments**

The principal activity of the company in the period under review was that of the installation and maintenance of plant and equipment, through the mechanical, electrical and pipework disciplines.

During the year the ordinary shares of the company were sold to Von Roll Inova Holding AG, a subsidiary company of A-TEC Industries AG.

The acquisition of the company strengthens the position and resource of Von Roll Inova in the UK, and the technical resource and future order intake available to MII.

The accounting period was extended to 15 months to fall in line with Von Roll Inova Holding AG requirements. The profit and loss account is set out on page 6, and shows a turnover of £18.3m, and a gross profit of £757k. for the 15 month period.

The turnover of the company is generated from four main business fields, Mechanical Maintenance £7.3m, Mechanical Installation £5.0m, Pipe Fabrication and Installation £5.5m, and Electrical Installation £0.5m

Turnover has increased by 17% on last year which was £15.5m, although this was for a 12 month period. However gross profit has decreased by 80.4%, mainly due to increased project costs and amounts written off as a result of a lost contract (see notes 3 and 22).

In the forthcoming year, the company intends to relocate and centralise commercial and workshop activities, increasing our manufacturing space by over 100%, which will impact positively on the performance of the company.

Order intake is expected to be between £16m and £21m, becoming stronger in the second half of the year.

Our traditional markets continue to be important to the future of the company, however diversification into new markets such as energy and power will expose the company to new opportunities.

The directors do not recommend the payment of a dividend.

Other than those disclosed in note 22, there have been no events since the balance sheet date which will materially affect the position of the company.

### **Principal risks and uncertainties**

The industry remains weak, generally due to the uncertain economic climate. The steel industry has been particularly affected, however our reliance on this industry has been diluted, with growth in the energy and chemical sectors.

During the year the company repaid an expansion loan from Finance Wales, and expects the risk of exposure to interest rate increases to remain low due to the inter-bank lending rate remaining low.

The company monitors cash flow as part of its day to day control procedures, and the Board considers cash flow projections on a monthly basis, and ensures that appropriate facilities are available.

# **MII Mechanical Installations International Limited**

## **Report of the directors for the period ended 31 December 2008 (*continued*)**

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The company mitigates its credit risk, by credit checking, and obtaining credit insurance when possible on all new customers.

Material purchases are generally project specific, where possible the company uses the influence of Von Roll Inova AG, to negotiate the keenest prices.

There is only a small risk of a being affected by a fluctuating steel price, as the company does not carry large amounts of stock, and purchases specifically for projects.

### **Charitable and political contributions**

During the period the company made charitable contributions of £3,100. There were no political contributions.

### **Directors**

The directors of the company during the period were:

B Arnesen (appointed 1 March 2008)  
R G Barton (resigned 31 December 2008)  
R Bazzard  
M Moody (appointed 1 March 2008)  
W Scotland (appointed 25 February 2008)  
K Staymann (appointed 25 February 2008)  
R E Barton (resigned 31 December 2008)  
F J Mengede (appointed 25 February 2008, resigned 1 July 2008)  
M C Brunner (appointed 1 September 2008)

### **Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial period which 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

# MII Mechanical Installations International Limited

## Report of the directors for the period ended 31 December 2008 (*continued*)

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### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### On behalf of the board

A handwritten signature in black ink, appearing to read 'Matthew Ma', with a large circular flourish at the end.

Director

Date: 27/7/09

# MII Mechanical Installations International Limited

## Independent auditor's report

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### To the shareholders of MII Mechanical Installations International Limited

We have audited the financial statements of MII Mechanical Installations International Limited for the period ended 31 December 2008 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the note of historical cost profits and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, 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 other transactions 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

# MII Mechanical Installations International Limited

## Independent auditor's report (*continued*)

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### *Opinion*

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*BDO Stoy Hayward LLP*

**BDO STOY HAYWARD LLP**  
*Chartered Accountants  
and Registered Auditors  
Bristol*

Date: *7. Aug. 2009*

# MII Mechanical Installations International Limited

## Profit and loss account for the period ended 31 December 2008

	Note	15 months ended 31 December 2008 £	Year ended 30 September 2007 £
Turnover	2	18,225,961	15,571,451
Cost of sales		17,469,380	11,711,044
<b>Gross profit</b>		<b>756,581</b>	<b>3,860,407</b>
Administrative expenses		4,050,906	3,324,357
<b>Operating (loss)/profit</b>	3	<b>(3,294,325)</b>	<b>536,050</b>
Other interest receivable and similar income		5,694	9,907
Interest payable and similar charges	6	(277,897)	(88,864)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(3,566,528)</b>	<b>457,093</b>
Taxation on (loss)/profit on ordinary activities	7	214,121	(125,516)
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(3,352,407)</b>	<b>331,577</b>

All amounts relate to continuing activities.

The notes on pages 10 to 23 form part of these financial statements.



# MII Mechanical Installations International Limited

## Statement of total recognised gains and losses and note of historical cost profits and losses for the period ended 31 December 2008

	Note	15 months ended 31 December 2008 £	Year ended 30 September 2007 £
<b>Statement of total recognised gains and losses</b>			
(Loss)/profit for the financial period/year		(3,352,407)	331,577
Unrealised deficit on revaluation of properties	17	-	(11,006)
		<u>(3,352,407)</u>	<u>320,571</u>
<b>Total recognised gains and losses for the financial period/year</b>		<b>(3,352,407)</b>	<b>320,571</b>
		<u>(3,352,407)</u>	<u>320,571</u>
<b>Note of historical cost profits and losses</b>			
Reported (loss)/profit on ordinary activities before taxation		(3,566,528)	457,093
Difference between actual and historical cost depreciation charge		4,905	-
		<u>(3,561,623)</u>	<u>457,093</u>
<b>Historical cost (loss)/profit on ordinary activities before taxation</b>		<b>(3,561,623)</b>	<b>457,093</b>
		<u>(3,561,623)</u>	<u>457,093</u>
<b>Historical cost (loss)/profit for the period/year after taxation</b>		<b>(3,347,502)</b>	<b>331,577</b>
		<u>(3,347,502)</u>	<u>331,577</u>

The notes on pages 10 to 23 form part of these financial statements.

# MII Mechanical Installations International Limited

## Balance sheet at 31 December 2008

	Note	31 December 2008 £	31 December 2008 £	30 September 2007 £	30 September 2007 £
<b>Fixed assets</b>					
Tangible assets	8		685,416		798,439
Fixed asset investments	9		1		1
			<u>685,417</u>		<u>798,440</u>
<b>Current assets</b>					
Stocks	10	532,232		33,550	
Debtors	11	3,430,721		3,200,055	
Cash at bank and in hand		100,315		260,468	
		<u>4,063,268</u>		<u>3,494,073</u>	
<b>Creditors: amounts falling due within one year</b>	12	7,118,397		2,998,810	
		<u>7,118,397</u>		<u>2,998,810</u>	
<b>Net current (liabilities)/assets</b>			(3,055,129)		495,263
<b>Total assets less current liabilities</b>			(2,369,712)		1,293,703
<b>Creditors: amounts falling due after more than one year</b>	13	344,547		641,613	
<b>Provisions for liabilities</b>	14	-		13,942	
		<u>-</u>		<u>13,942</u>	
			344,547		655,555
			<u>(2,714,259)</u>		<u>638,148</u>

The notes on pages 10 to 23 form part of these financial statements.

# MII Mechanical Installations International Limited

## Balance sheet at 31 December 2008 (continued)

	Note	31 December 2008 £	31 December 2008 £	30 September 2007 £	30 September 2007 £
<b>Capital and reserves</b>					
Called up share capital	16		5,000		5,000
Revaluation reserve	17		197,681		207,195
Capital redemption reserve	17		5,000		5,000
Profit and loss account	17		(2,921,940)		420,953
			<hr/>		<hr/>
<b>Shareholders' (deficit)/funds</b>	18		(2,714,259)		638,148
			<hr/>		<hr/>

The financial statements were approved by the board of directors and authorised for issue on 27/7/09

  
Director

The notes on pages 10 to 23 form part of these financial statements.

# MII Mechanical Installations International Limited

## Notes forming part of the financial statements for the period ended 31 December 2008

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

#### *Basis of preparation*

The financial statements have been prepared on a going concern basis. The company is dependent on A-Tec Industries AG, of which the company is a subsidiary, and the ongoing provision of its own finance arrangements to continue to operate as a going concern.

The company's activities are funded by a combination of long term inter company loans and bank loans and short term invoice discounting and bank overdraft facilities. The day to day operations are funded by cash generated from trading and an invoice discounting facility.

Whilst there are inevitable pressures from the current general economic climate, the company and group's board remains positive about the growth available within its main trading operations. This growth has been factored into the company's profit and cash flow projections, as have reasonably possible changes from the current economic climate. These projections suggest that the company will meet its obligations as they fall due with the use of existing uncommitted invoice discounting facilities. These facilities are reviewed on a rolling basis; based on the informal discussions the directors have had with these finance providers, the company's board have an expectation that these facilities will continue to be available to the company for the foreseeable future as will the continued support of A-Tec Industries AG.

The financial statements do not reflect the adjustments that would be necessary were the trading performance of the company to deteriorate and / or the funding available from invoice discounting and the other group companies were not available.

#### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by A -Tec Industries AG and the company is included in consolidated financial statements.

#### *Turnover*

Turnover represents the amount derived from the provision of goods and services after deduction of trade discounts and value added tax.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold property	- 2% on valuation
Plant and machinery	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Fixtures and fittings	- 25 - 33% on reducing balance

# MII Mechanical Installations International Limited

## Notes forming part of the financial statements for the period ended 31 December 2008 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis.

The cost of work in progress and finished goods included all production overheads and depreciation and the attributable portion of indirect overheads based on the normal level of activity.

Net realisable value is based on the estimated selling price less the estimated cost of disposal.

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

Where losses on any contract are foreseen, the value of work in progress will be reduced and the relevant loss expected will be recognised within the profit and loss account.

Amounts invoiced but not yet recovered are recognised on the balance sheet as amounts recoverable on contracts.

Payments received in advance of invoicing are recognised on the balance sheet within creditors.

#### *Foreign currency*

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

#### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

# MII Mechanical Installations International Limited

Notes forming part of the financial statements  
for the period ended 31 December 2008 (continued)

## 1 Accounting policies (continued)

### Leased assets (continued)

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

### Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

## 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

## 3 Operating (loss)/profit

	15 months ended 31 December 2008 £	Year ended 30 September 2007 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	123,625	99,864
Loss on disposal of tangible fixed assets	4,607	29,823
Hire of other assets - operating leases	3,903	2,964
Auditors' remuneration:		
- fees payable to the company's auditor for the audit of the company's annual accounts	24,253	26,000
- other taxation services	3,955	-
- all other services	3,025	-
Exceptional items - contract termination costs (see note 22)	533,312	-
	<b>533,312</b>	<b>-</b>

Depreciation includes £44,063 (2007 - £25,070) charged on assets held under finance leases and hire purchase contracts.

# MII Mechanical Installations International Limited

Notes forming part of the financial statements  
for the period ended 31 December 2008 (continued)

## 4 Employees

Staff costs (including directors) consist of:

	15 months ended 31 December 2008 £	Year ended 30 September 2007 £
Wages and salaries	10,864,335	9,351,791
Social security costs	1,124,826	994,949
Other pension costs	94,547	81,616
	<u>12,083,708</u>	<u>10,428,356</u>

The average number of employees (including directors) during the period/year was as follows:

	15 months ended 31 December 2008 Number	Year ended 30 September 2007 Number
Production staff	236	240
Office and management	30	33
	<u>266</u>	<u>273</u>

## 5 Directors' remuneration

	15 months ended 31 December 2008 £	Year ended 30 September 2007 £
Directors' emoluments	624,211	665,558
Company contributions to money purchase pension schemes	62,751	59,000
	<u>686,962</u>	<u>724,558</u>

There were 3 directors in the company's defined contribution pension scheme during the period (2007 - 3).

The total amount payable to the highest paid director in respect of emoluments was £254,794 (2007 - £446,800). Company pension contributions of £Nil (2007 - £Nil) were made to a money purchase scheme on his behalf.

# MII Mechanical Installations International Limited

Notes forming part of the financial statements  
for the period ended 31 December 2008 (*continued*)

## 6 Interest payable and similar charges

	15 months ended 31 December 2008 £	Year ended 30 September 2007 £
Bank loans and overdrafts	13,369	1,123
All other loans (excluding loans from group companies)	42,972	28,154
Loans from group companies	145,580	-
Finance leases and hire purchase contracts	12,613	14,685
Other interest	63,363	44,902
	<u>277,897</u>	<u>88,864</u>

## 7 Taxation on (loss)/profit on ordinary activities

	15 months ended 31 December 2008 £	Year ended 30 September 2007 £
<i>UK Corporation tax</i>		
Current tax on profits of the period/year	-	111,574
Adjustment in respect of previous periods	(80,877)	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	(133,244)	13,942
	<u>(214,121)</u>	<u>125,516</u>
Taxation on (loss)/profit on ordinary activities		



# MII Mechanical Installations International Limited

Notes forming part of the financial statements  
for the period ended 31 December 2008 (continued)

## 7 Taxation on (loss)/profit on ordinary activities (continued)

The tax assessed for the period/year is higher than the standard rate of corporation tax in the UK applied to (loss)/profit before tax. The differences are explained below:

	15 months ended 31 December 2008 £	Year ended 30 September 2007 £
(Loss)/profit on ordinary activities before tax	(3,566,528)	457,093
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 28.80% (2007 - 30.00%)	(1,027,160)	137,128
Effect of:		
Expenses not deductible for tax purposes	22,255	17,226
Capital allowances for period in excess of depreciation	-	(3,762)
Adjustment to tax charge in respect of previous periods	(80,877)	-
Income not allowable for tax purposes	-	(890)
Marginal relief	-	(27,226)
Losses brought forward	-	(10,902)
Depreciation in excess of capital allowances	13,691	-
Unrelieved tax losses and other deductions	857,970	-
Losses carried back to prior periods	133,244	-
Current tax (credit)/charge for the period/year	(80,877)	111,574

# MII Mechanical Installations International Limited

Notes forming part of the financial statements  
for the period ended 31 December 2008 (continued)

## 8 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>					
At 1 October 2007	425,000	332,057	344,924	166,217	1,268,198
Additions	-	-	19,400	4,630	24,030
Disposals	-	-	(58,498)	-	(58,498)
At 31 December 2008	<b>425,000</b>	<b>332,057</b>	<b>305,826</b>	<b>170,847</b>	<b>1,233,730</b>
<i>Depreciation</i>					
At 1 October 2007	19,092	174,572	136,892	139,203	469,759
Provided for the period	9,875	29,542	71,071	13,137	123,625
Disposals	-	-	(45,070)	-	(45,070)
At 31 December 2008	<b>28,967</b>	<b>204,114</b>	<b>162,893</b>	<b>152,340</b>	<b>548,314</b>
<i>Net book value</i>					
At 31 December 2008	<b>396,033</b>	<b>127,943</b>	<b>142,933</b>	<b>18,507</b>	<b>685,416</b>
At 30 September 2007	405,908	157,485	208,032	27,014	798,439

The gross value of freehold land and buildings are stated at:

	31 December 2008 £	30 September 2007 £
Open market value - 2006	<b>425,000</b>	425,000

Included in cost or valuation of land and buildings is freehold land of £30,000 (2007 - £30,000) which is not depreciated. The directors are not aware of any material change in the valuations of land and buildings and the valuations have not been updated.

The last full valuation was carried out on an open market valuation on 23 March 2006 by Keith Batten Associates.

# MII Mechanical Installations International Limited

Notes forming part of the financial statements  
for the period ended 31 December 2008 (*continued*)

## 8 Tangible fixed assets (*continued*)

The historical cost of freehold land and buildings is:

	31 December 2008 £	30 September 2007 £
Cost	228,811	228,811
Accumulated depreciation based on historical cost	31,492	26,522
	<hr/>	<hr/>
Historical cost net book value	197,319	202,289
	<hr/>	<hr/>

The net book value of, and depreciation charge for the period on, tangible fixed assets includes assets held under finance leases and hire purchase contracts as follows:

	31 December 2008 £	30 September 2007 £
<i>Net book value</i>		
Plant and machinery	47,442	58,365
Motor vehicles	72,864	100,099
	<hr/>	<hr/>
	120,306	158,464
	<hr/>	<hr/>
<i>Depreciation charged</i>		
Plant and machinery	10,943	10,300
Motor vehicles	33,120	14,770
	<hr/>	<hr/>
	44,063	25,070
	<hr/>	<hr/>

## 9 Fixed asset investments

	Group undertakings £
<i>Cost or valuation</i>	
At 1 October 2007 and 31 December 2008	1
	<hr/>

# MII Mechanical Installations International Limited

Notes forming part of the financial statements  
for the period ended 31 December 2008 (continued)

## 9 Fixed asset investments (continued)

### Subsidiary undertakings

The principal undertakings in which the company's interest at the period end is 20% or more are as follows:

	Class of share capital held	Proportion of share capital held	Nature of business
President Yachts (UK & Europe) Limited	ordinary	100%	Dormant

## 10 Stocks

	31 December 2008 £	30 September 2007 £
Work in progress	532,232	33,550

There is no material difference between the replacement cost of stocks and the amounts stated above.

## 11 Debtors

	31 December 2008 £	30 September 2007 £
Amounts receivable within one year		
Trade debtors	1,300,056	2,739,946
Corporation tax recoverable	111,574	-
Prepayments and accrued income	154,047	155,396
Amounts recoverable on contracts	1,745,742	80,353
Directors current account	-	224,360
	<u>3,311,419</u>	<u>3,200,055</u>
Amounts receivable after more than one year		
Deferred taxation (see note 14)	119,302	-
	<u>119,302</u>	<u>-</u>
Total debtors	<u>3,430,721</u>	<u>3,200,055</u>

# MII Mechanical Installations International Limited

Notes forming part of the financial statements  
for the period ended 31 December 2008 (*continued*)

## 12 Creditors: amounts falling due within one year

	31 December 2008 £	30 September 2007 £
Bank loans and overdrafts (secured see note 13)	23,664	209,656
Other loans	655,053	34,519
Trade creditors	1,432,573	1,422,255
Amounts owed to group undertakings	3,900,000	1
Corporation tax	-	111,574
Other taxation and social security	549,269	669,222
Obligations under finance lease and hire purchase contracts	49,688	53,966
Other creditors	229,376	347,619
Accruals and deferred income	278,774	149,998
	<u>7,118,397</u>	<u>2,998,810</u>

Other loans of £655,053 (2007 - £34,519) are secured on the book debts.

## 13 Creditors: amounts falling due after more than one year

	31 December 2008 £	30 September 2007 £
Bank loans (secured)	297,205	346,485
Other loans	-	199,358
Obligations under finance lease and hire purchase contracts	47,342	95,770
	<u>344,547</u>	<u>641,613</u>

# MII Mechanical Installations International Limited

Notes forming part of the financial statements  
for the period ended 31 December 2008 (continued)

## 13 Creditors: amounts falling due after more than one year (continued)

Maturity of debt:

	Loans and overdrafts 31 December 2008 £	Loans and overdrafts 30 September 2007 £	Finance leases 31 December 2008 £	Finance leases 30 September 2007 £
In one year or less, or on demand	678,717	244,175	49,688	53,966
In more than one year but not more than two years	23,664	545,843	41,709	95,770
In more than two years but not more than five years	70,992	-	5,633	-
In more than five years	202,549	-	-	-
	297,205	545,843	47,342	95,770

Included in creditors due after more than one year are the following amounts repayable in more than five years:

	31 December 2008 £	30 September 2007 £
Loans	202,549	-

Bank loans are secured on the freehold land and buildings. Interest is charged at 2.5% over Barclays base rate and are repayable by November 2023.

## 14 Provisions for liabilities

	Deferred taxation £
At 1 October 2007	13,942
Credited to profit and loss account	(133,244)
	(119,302)
Transferred to debtors (see note 11)	119,302
	-
At 31 December 2008	-

# MII Mechanical Installations International Limited

Notes forming part of the financial statements  
for the period ended 31 December 2008 (*continued*)

## 14 Provisions for liabilities (*continued*)

### *Deferred taxation*

	31 December 2008 £	30 September 2007 £
Accelerated capital allowances	(64)	13,942
Unutilised tax losses	(119,238)	-
	<u>(119,302)</u>	<u>13,942</u>

## 15 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £94,547 (2007 - £81,616). There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

## 16 Share capital

	31 December 2008 £	30 September 2007 £
<i>Authorised</i>		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
	31 December 2008 £	30 September 2007 £
<i>Allotted, called up and fully paid</i>		
5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

# MII Mechanical Installations International Limited

Notes forming part of the financial statements  
for the period ended 31 December 2008 (continued)

## 17 Reserves

	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
At 1 October 2007	207,195	5,000	420,953
Loss for the period	-	-	(3,352,407)
Excess annual depreciation charge transferred to profit and loss account	(4,905)	-	4,905
Prior year adjustment re historical depreciation movement	(4,609)	-	4,609
	<u>197,681</u>	<u>5,000</u>	<u>(2,921,940)</u>
At 31 December 2008	<u>197,681</u>	<u>5,000</u>	<u>(2,921,940)</u>

## 18 Reconciliation of movements in shareholders' (deficit)/funds

	31 December 2008 £	30 September 2007 £
(Loss)/profit for the period/year	(3,352,407)	331,577
Other net recognised gains and losses relating to the period	-	(11,006)
	<u>(3,352,407)</u>	<u>320,571</u>
Net (deductions from)/additions to shareholders' (deficit)/funds	(3,352,407)	320,571
Opening shareholders' funds	638,148	317,577
	<u>638,148</u>	<u>317,577</u>
Closing shareholders' (deficit)/funds	(2,714,259)	638,148
	<u>(2,714,259)</u>	<u>638,148</u>

## 19 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 31 December 2008 £	Other 31 December 2008 £	Land and buildings 30 September 2007 £	Other 30 September 2007 £
Operating leases which expire:				
Within one year	40,751	-	-	1,226
In two to five years	-	2,037	71,229	2,037
	<u>40,751</u>	<u>2,037</u>	<u>71,229</u>	<u>3,263</u>



# **MII Mechanical Installations International Limited**

## **Notes forming part of the financial statements for the period ended 31 December 2008 (*continued*)**

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### **20 Related party disclosures**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with members of the group headed by A -Tec Industries AG on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

### **21 Ultimate parent company and parent undertaking of larger group**

The company is a subsidiary of Von Roll Inova Holdings AG, a company incorporated in Switzerland. The ultimate parent company is A -Tec Industries AG also incorporated in Austria.

The largest and smallest group in which the results of the company are consolidated is that headed by A - Tec Industries AG. The consolidated accounts of this company are available to the public from the registered office of A - Tec Industries AG. No other group accounts include the results of the company.

### **22 Post balance sheet events**

During the period ended 31 December 2008 a major contract came into dispute and resulted in the contract being terminated early. Management have since been in negotiations to recover funds which they believed were due. On 5 June 2009 management reached a settlement with the contractor of £850,000. As a result, £533,332 of irrecoverable contract costs have been written off to the profit and loss account as an adjusting post balance sheet event in accordance with FRS 21 'Events after the balance sheet date'. These amounts are shown as exceptional items within the profit and loss account (see note 3).