Permasteelisa (UK) Limited

Directors' report and financial statements

Registered number: 2423388

Year ended 31 December 2010

Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

Principal activities

The principal activity of the company is the supply and installation of curtain walling

Business review and dividends

The profit and loss account for the financial year is set out on page 5 The key performance indicators for the company are the amount of turnover and the operating profit derived from the company's principal activity to customers during the financial year Turnover decreased to £22,093,107 from £34,454,693 in the previous year, the operating profit increased to £334,792 from £203,386 The balance sheet position at 31 December 2010 is judged to be satisfactory

The profit for the financial year was £257,336 *(2009 £191,072)* The directors do not recommend the payment of a dividend this financial year (*2009 £nil*)

Future Developments

The directors are satisfied with the performance of the company for the year and look to the future with confidence

Financial Risks

The principal risk in relation to the reported result of the company arises from the recoverability of amounts included in debtors for contracts where the final certificate has not been issued The company covers the foreign exchange risk on receivables denominated in currencies other than Sterling by the use of forward foreign exchange contracts

Other risks and uncertainties

The directors of Permasteelisa S p A manage the group's risks at a group level, rather than at an individual business unit level For this reason, the company's directors believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of Permasteelisa (UK) Limited's business The Permasteelisa Group's policies on risk management are outlined on pages 51 and 52 of the Permasteelisa S p A Annual Report for the year to 31 December 2010

Directors

The directors who held office during the year were as follows

A Barioli
L van de Linde
V Corrocher
M French (appointed 22 December 2010)

Directors' report (continued)

Statement of 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 prepared the financial statements in accordance with UK Generally Accepted Accounting Practice (UK 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 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business in which case there should be supporting assumptions or qualifications as necessary

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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

Disclosure of information to auditors

The directors who held office at the date of approval of this directors report confirm that, so far as they are each aware, there is no relevant audit information of which the company s auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Directors' Indemnities

The company has not given any indemnities in favour of any of the Directors

On behalf of the board

A Barioli
Director

26 Mastmaker Road
London
E14 9UB

Independent auditors' report to the members of Permasteelisa (UK) Limited

We have audited the financial statements of Permasteelisa (UK) Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet, and the related notes 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)

Respective responsibilities of directors and auditors
As explained more fully in the statement of directors' responsibilities set out in the directors' report 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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 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 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

Sarah Banham

Sarah Banham (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

26/9/11

Profit and loss account
for the year ended 31 December 2010

	Note	2010 £	2009 £
Turnover	*2*	**22,093,107**	34,454,693
Cost of sales		**(20,580,176)**	(32,736,345)
Gross profit		**1,512,931**	1,718,348
Administrative expenses		**(1,178,139)**	(1,514,962)
Operating profit	*4*	**334,792**	203,386
Profit on sale of tangible fixed assets		**-**	10,000
Other interest receivable and similar income	*6*	**14,042**	9,529
Interest payable and similar charges	*7*	**(211)**	(29,116)
Profit on ordinary activities before taxation		**348,623**	193,799
Tax on profit on ordinary activities	*8*	**(91,287)**	(2,727)
Profit for the financial year		**257,336**	191,072

There are no recognised gains or losses in either year other than those included in the profit and loss account

All amounts relate to continuing activities

Balance sheet
at 31 December 2010

	Note	2010		2009	
		£	£	£	£
Fixed assets					
Tangible assets	9		**18,936**		36,192
Current assets					
Debtors	10	**10,411,034**		12,819,002	
Cash at bank and in hand	11	**153,317**		293,131	
		10,564,351		13,112,133	
Creditors amounts falling due within one year	13	**(8,391,898)**		(12,232,178)	
Net current assets			**2,172,453**		879,955
Total assets less current liabilities			**2,191,389**		916,147
Provisions for liabilities	14		**(1,199,406)**		(181,500)
Net Assets			**991,983**		734,647
Capital and reserves					
Called up share capital	15		**3,510,000**		3,510,000
Profit and loss account	16		**(2,518,017)**		(2,775,353)
Total shareholders' funds	17		**991,983**		734,647

These financial statements on pages 5 to 14 were approved by the board of directors on 26 Sept 2011

and were signed on its behalf by

A Barioli
Director

Permasteelisa (UK) Limited
Registered number 2423388

Notes to the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom The principal accounting policies are set out below

Cash flow statement and related party disclosures

As the company is a wholly owned subsidiary of a group registered in the European Union it has taken advantage of the exemption under FRS 1 (revised) not to prepare a cash flow statement As the company is a wholly owned subsidiary of Permasteelisa S p A, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of Permasteelisa S p A , within which this company is included, can be obtained from the address given in note 19

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Site equipment	-	3 years
Office furniture and equipment	-	5 years
Computer equipment	-	3 years
Motor vehicles	-	3 years
Leasehold improvements	-	over the remaining life of the lease

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease

Long term contracts

Amounts recoverable on contracts represent costs incurred on specific contracts, which includes attributable overheads net of amounts transferred to cost of sales in respect of work recorded as turnover, less foreseeable losses and payments on account not matched with turnover

Turnover

Where the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, turnover is recognised by reference to the proportion of contract costs incurred for the work performed to date relative to the estimated total costs, except where this should not be representative of the stage of completion No profit is recognised until the contract has advanced to a stage where the total profit can be assessed with reasonable certainty

Variations and claim are included where it is probable that the amount, which can be measured reliably, will be recovered from customer When the outcome of contract cannot be estimated reliably, contract turnover is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable

Notes to the financial statements (continued)

1 Accountıng polıcıes *(contınued)*

Contract provısıons

Provısıon ıs made as a warranty provısıon for certaın completed contracts on whıch guarantees have been gıven, when FRS 12 requırements are met These provısıons, to the extent not utılısed ın full, are released when the potentıal lıabılıty ceases to exıst Provısıon ıs made separately for any major lıabılıtıes arısıng ın connectıon wıth remedıal works A further provısıon ıs made, ıf consıdered approprıate, agaınst antıcıpated further costs on contracts when dısputes have been notıfied to the company

Foreıgn currencıes

Transactıons ın foreıgn currencıes are recorded ın sterlıng usıng the rate of exchange rulıng at the date of the transactıon or, ıf hedged forward, at the rate of exchange under the related forward currency contract Monetary assets and lıabılıtıes denomınated ın foreıgn currencıes are translated ınto sterlıng usıng the rate of exchange rulıng at the balance sheet date and the gaıns or losses on translatıon are ıncluded ın the profit and loss account

Deferred Taxation

Deferred tax ıs recognısed ın respect of all tımıng dıfferences that have orıgınated but not reversed at the balance sheet date, where transactıons or events that result ın an oblıgatıon to pay more tax ın the future or a rıght to pay less tax ın the future have occurred at the balance sheet date
A net deferred tax asset ıs recognısed as recoverable and therefore recognısed only when, on the basıs of all avaılable evıdence, ıt can be regarded as more lıkely than not that there wıll be suıtable taxable profits agaınst whıch to recover carrıed forward tax losses and from whıch the future reversal of underlyıng tımıng dıfferences can be deducted
Deferred tax ıs measured at the average tax rates that are expected to apply ın the perıods ın whıch the tımıng dıfferences are expected to reverse, based on tax rates and laws that have been enacted or substantıvely enacted by the balance sheet date Deferred tax ıs measured on an undıscounted basıs

Contrıbutıons to pensıon funds

Defined contrıbutıon scheme

The company contrıbutes to ındıvıdual money purchase schemes The pensıon costs charged agaınst profits represent the amount of the contrıbutıons payable to the schemes ın respect of the accountıng perıod Trustees admınıster the assets of the schemes ın funds whıch are ındependent of the company

2 Turnover

Turnover represents the amounts (excludıng value added tax) derıved from the company's prıncıpal actıvıty to customers durıng the financıal year All turnover arıses wıthın the Unıted Kıngdom

3 Directors' emoluments

	2010	2009
	£	£
Dırectors' emoluments		
Aggregate emoluments	**2,068**	-
	2,068	-

The emoluments of Messrs Barıolı, Corrocher and van de Lınde ın respect of theır servıces to the company are borne by the parent company Permasteelısa S p A

Notes to the financial statements (continued)

4 Operating profit

Operating profit is stated after charging the following

	2010 £	2009 £
Auditors' remuneration		
- audit of these financial statements	**20,100**	22,750
Depreciation	**20,034**	29,695
Operating lease charges		
Plant and machinery	**416,240**	450,874
Other	**164,699**	233,021

5 Staff numbers and costs

The average monthly number of persons employed by the company (including executive directors) during the year, analysed by category, was as follows

	Number of employees 2010	2009
Site operatives	**9**	10
Office staff	**26**	32
	35	42

The aggregate payroll costs of these persons were as follows

	2010 £	2009 £
Wages and salaries	**1,554,612**	1,862,245
Social security costs	**174,314**	166,323
Defined contribution pension cost	**37,200**	42,014
	1,766,126	2,070,582

6 Other interest receivable and similar income

	2010 £	2009 £
Interest receivable from group undertakings	**14,042**	3,250
Other interest receivable	**-**	6,279
	14,042	9,529

Notes to the financial statements (continued)

7 Interest payable and similar charges

	2010 £	2009 £
Interest payable to group undertakings	67	29,106
Other interest payable	144	10
	211	29,116

8 Tax on profit on ordinary activities

Analysis of charge for the financial year

	2010 £	2009 £
UK corporation tax		
Current tax on income for the year	91,287	2,727
Deferred tax	-	-
Tax on profit on ordinary activities	91,287	2,727

Factors affecting the tax charge for the financial year

The current tax charge for the financial year is different from the standard rate of corporation tax in the UK of 28% (*2009 28%)* The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before taxation	348,623	193,799
Profit on ordinary activities multiplied by standard rate in the U K of 28 0% *(2009 28%)*	97,614	54,264
Effects of		
Expenses not deductible for tax purposes	2,415	9,387
Capital allowances in excess of depreciation (2009 capital allowances less than depreciation) and other timing differences	(8,742)	5,514
Utilisation of brought forward tax losses	-	(66,438)
	91,287	2,727

Factors affecting current and future tax charges

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date Based on current capital investment plans, the group expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year

During the year, as a result of the change in the UK main corporation tax rate from 28% to 27% that was substantively enacted on 20 July 2010 and that will be effective from 1 April 2011, the relevant deferred tax balances have been re-measured

Further reductions to the UK corporation tax rate were announced in the June 2010 and March 2011 Budgets The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 24% by 1 April 2014 The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year

Notes to the financial statements (continued)

9 Tangible fixed assets

	Site equipment	Office furniture and equipment	Computer equipment	Motor vehicles	Leasehold Improvements	Total
	£	£	£	£	£	£
Cost						
At 1 January 2010	855,295	276,490	228,600	35,128	21,783	1,417,296
Additions	-	-	2,778	-	-	2,778
At 31 December 2010	855,295	276,490	231,378	35,128	21,783	1,420,074
Accumulated depreciation						
At 1 January 2010	854,963	270,332	217,656	35,128	3,025	1,381,104
Charge for year	332	4,805	7,636	-	7,261	20,034
At 31 December 2010	855,295	275,137	225,292	35,128	10,286	1,401,138
Net book value						
At 31 December 2010	**-**	**1,353**	**6,086**	**-**	**11,497**	**18,936**
At 31 December 2009	332	6,158	10,944	-	18,758	36,192

10 Debtors

	2010	2009
	£	£
Trade debtors	**1,643,119**	4,707,863
Amounts recoverable on contracts	**2,276,030**	3,813,414
Amounts owed by ultimate parent company	**6,259,431**	13,490
Amount owed by other group undertakings	**114,217**	4,184,685
Other debtors	**18,977**	31,354
Prepayments	**99,260**	68,196
	10,411,034	12,819,002

11 Cash at bank and in hand	2010	2009
	£	£
	153,317	293,131

At 31st December the company had entered into a foreign exchange swap contract to cover a receivable with a nominal value of €449,124 The fair value at 31st December 2010 is £374,367 and the fair value effect was a loss of £6,131

Notes to the financial statements (continued)

12 Deferred tax

Recognised in the balance sheet	2010	2009
	£	£
Depreciation in excess of capital allowances	-	-
Other timing differences	-	-
	-	-

	2010	2009
	£	£
At 1 January	-	-
Deferred tax charge to the profit and loss account	-	-
At 31 December	-	-

Not recognised in the financial statements	2010	2009
	£	£
Depreciation in excess of capital allowances	54,432	86,534
Other timing differences	158,330	106,507
	212,762	193,041

13 Creditors. amounts falling due within one year

	2010	2009
	£	£
Bank overdrafts (unsecured)	-	378,689
Trade creditors	774,988	1,264,766
Amounts owed to ultimate parent company	1,042,123	1,600,345
Amounts owed to other group undertakings	110,409	668,371
Other taxes and social security	15,268	11,208
Value added tax	796,304	366,807
Corporation tax	94,014	2,727
Other creditors	13,819	6,212
Payments on account	4,345,890	5,038,968
Accruals and deferred income	1,199,083	2,894,085
	8,391,898	12,232,178

Notes to the financial statements (continued)

14 Provısions for lıabılıtıes

	Warranty Provısıon
	£
At 1 January 2010	181,500
Charged to the profit and loss account	1,017,906
At 31 December 2010	**1,199,406**

The warranty provısıon may be utılısed at any tıme over the next twelve years although the tımıng and extent of utılısatıon ıs uncertaın No reımbursement of any of the provısıon ıs expected nor has any asset ın respect of such reımbursement been recognısed ın these financıal statements

15 Called up share capital

	2010	2009
	£	£
Authorısed		
3,510,000 (2009 3,510,000) ordınary shares of £1 each	**3,510,000**	3,510,000
Allotted and fully paıd		
3,510,000 (2009 3,510,000) ordınary shares of £1 each	**3,510,000**	3,510,000

16 Profit and loss account

	£
At 1 January 2010	(2,775,353)
Profit for the financıal year	257,336
At 31 December 2010	**(2,518,017)**

17 Reconcılıatıon of movements ın shareholders' funds

	2010	2009
	£	£
Issue of new share capıtal	-	3,500,000
Profit/ for the financıal year	**257,336**	191,072
Net addıtıon to shareholders' funds	**257,336**	3,691,072
Total shareholders' funds/(deficıt) at 1 January	**734,647**	(2,956,425)
Total shareholders' funds at 31 December	**991,983**	734,647

Notes to the financial statements (continued)

18 Commitments

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings	
	2010	2009
	£	£
Property leases which expire		
Between 2 and 5 years	**144,287**	144,287

19 Ultimate parent company

The company is a wholly owned subsidiary undertaking of CIMA Cladding SA, incorporated in Luxembourg The immediate parent company and the largest entity including the company in its consolidated financial statements is Permasteelisa S p A Copies of their Annual Report and Financial Statements can be obtained from

Tribunal of Treviso
Via G Verdi 18
31100 Treviso
Italy

20 Pensions

At the financial year end no contributions were outstanding in respect of pension contributions The total contributions paid during the year amounted to £53,600 (*2009 £58,254)*