

Registered number: 2465674

METSKILL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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METSKILL LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| DIRECTORS | Mr J Bolton Mr P W Whiteman |
| COMPANY NUMBER | 2465674 |
| REGISTERED OFFICE | EMTA House 14 Upton Road Watford Hertfordshire WD18 0JT |
| AUDITORS | haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY |

METSKILL LIMITED

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METSKILL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and the financial statements for the year ended 31 March 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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,
- 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.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the Company remains the provision of training related services to improve the performance of businesses within the UK metals industries.

In March 2007 the Company carried out a valuation of its long leasehold property. The valuation of £600,000 exceeds the net book value and has been incorporated into the accounts.

Under article 93 the Company's Articles of Association, the Company may not declare any dividends payable to its members.

RESULTS

Turnover for this, the Company's twentieth year of trading amounted to £2,229,128 (£1,703,851 in 2011) and, after operating costs, expenses and taxation, the profit to be carried forward amounted to £8,686 (2011 - loss £232,774).

METSKILL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2012**

DIRECTORS

The directors who served during the year were

Mr J Bolton
Mr P W Whiteman

One director's remuneration package amounted to £ Nil

No Director had any beneficial or non beneficial interest in the shares of the Company

No Director had any material interest in any contract of significance subsisting with the Company at any time during the year

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 24 July 2012 and signed on its behalf



Mr P W Whiteman
Director

METSKILL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF METSKILL LIMITED

We have audited the financial statements of Metskill Limited for the year ended 31 March 2012, set out on pages 5 to 13. 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2012 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.

METSKILL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF METSKILL LIMITED

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



Bernie Watson (Senior statutory auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

Fairfax House
15 Fulwood Place
London

WC1V 6AY

Date 24 May 2012

METSKILL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012**

| | Note | 2012 £ | 2011 £ |
|---|------|---------------------|-------------------------|
| TURNOVER | 1,2 | 2,229,128 | 1,703,851 |
| Cost of sales | | <u>(1,148,178)</u> | <u>(1,088,117)</u> |
| GROSS PROFIT | | 1,080,950 | 615,734 |
| Administrative expenses | | <u>(1,072,264)</u> | <u>(604,156)</u> |
| OPERATING PROFIT | 3 | 8,686 | 11,578 |
| EXCEPTIONAL ITEMS | 5 | | |
| Other exceptional items | 5 | <u>-</u> | <u>(244,352)</u> |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 8,686 | (232,774) |
| Tax on profit/(loss) on ordinary activities | | <u>-</u> | <u>-</u> |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR | | <u>8,686</u> | <u>(232,774)</u> |

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 7 to 13 form part of these financial statements

METSKILL LIMITED
REGISTERED NUMBER 2465674

BALANCE SHEET
AS AT 31 MARCH 2012

| | Note | £ | 2012 £ | £ | 2011 £ |
|--|------|-----------|-----------|-----------|-----------|
| FIXED ASSETS | | | | | |
| Tangible assets | 7 | | 528,199 | | 544,363 |
| CURRENT ASSETS | | | | | |
| Debtors | 8 | 378,746 | | 177,163 | |
| CREDITORS: amounts falling due within one year | 9 | (730,246) | | (550,752) | |
| NET CURRENT LIABILITIES | | | (351,500) | | (373,589) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 176,699 | | 170,774 |
| CREDITORS: amounts falling due after more than one year | 10 | | (105,563) | | (108,324) |
| NET ASSETS | | | 71,136 | | 62,450 |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 11 | | 1,098 | | 1,098 |
| Revaluation reserve | 12 | | 318,096 | | 318,096 |
| Profit and loss account | 12 | | (248,058) | | (256,744) |
| SHAREHOLDERS' FUNDS | 13 | | 71,136 | | 62,450 |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



24 May 2012

Mr P W Whiteman
Director

The notes on pages 7 to 13 form part of these financial statements

METSKILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Long Leasehold property and in accordance with applicable accounting standards

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

The turnover stated is the amount receivable in respect of the year, exclusive of value added tax, for levies, services supplied, and grants receivable

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Long leasehold property is stated at valuation net of any provision for impairment. The company has a policy of revaluing long leasehold property by an external valuer. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

| | | |
|---------------------------|---|-------------------|
| L/Term Leasehold Property | - | 2% straight line |
| Office equipment | - | 25% straight line |
| Computer equipment | - | 33% straight line |

1.5 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account.

1.6 Pensions

The Company is a participating employer in the ITB Pension Funds, which are constituted as defined benefit schemes. Pension contributions are charged to the income and expenditure account so as to spread the regular cost of pensions and related benefits over employee's working lives.

The Company also operates two defined contribution personal pension schemes. The assets of these schemes are held separately from the Company in independently administered funds. The pension charge represents payments made during the year.

METSKILL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

1. ACCOUNTING POLICIES (continued)

1.7 Capital grants

Capital based grants are included within accruals and deferred income in the balance sheet and credited to the income and expenditure account over the estimated useful economic lives of the assets to which they relate

1.8 Revenue grants

Revenue based grants are credited to the income and expenditure account in the accounting period to which the respective revenue expenditure relates

1.9 Operating leases

Operating lease rentals are charged to the income and expenditure account as incurred

2. TURNOVER

An analysis of turnover by class of business is as follows

| | 2012 | 2011 |
|-----------------|------------------|------------------|
| | £ | £ |
| Apprenticeships | 1,959,450 | 1,645,977 |
| Other Income | 269,678 | 57,874 |
| | 2,229,128 | 1,703,851 |

All turnover arose within the United Kingdom

3 OPERATING PROFIT

The operating profit is stated after charging

| | 2012 | 2011 |
|---------------------------------------|---------------|---------------|
| | £ | £ |
| Depreciation of tangible fixed assets | | |
| - owned by the company | 16,164 | 20,997 |
| Auditors' remuneration | 3,460 | 3,700 |

During the year, no director received any emoluments (2011 - £NIL)

METSKILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

4. STAFF COSTS

Staff costs were as follows

| | 2012 £ | 2011 £ |
|-----------------------|---------------|----------------|
| Wages and salaries | 85,845 | 83,450 |
| Social security costs | 5,177 | 8,656 |
| Other pension costs | 7,222 | 11,277 |
| | <u>98,244</u> | <u>103,383</u> |

The average monthly number of employees, including the directors, during the year was as follows

| 2012 No. | 2011 No |
|-------------|------------|
| <u>1</u> | <u>1</u> |

5. EXCEPTIONAL ITEMS

| | 2012 £ | 2011 £ |
|-----------------|-----------|----------------|
| Pension deficit | <u>-</u> | <u>244,352</u> |

The pension deficit expense represents the company's proportion of the Group pension deficit repayment

6. TAXATION

There is no taxation (charge)/credit as the Company has agreed to Gift Aid any taxable profit to the Science, Engineering and Manufacturing Technologies Alliance

The payment under Gift Aid represents the taxable profit and differs from the profit on ordinary activities because of the different basis used for calculating taxable and accounting profits

METSKILL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

7. TANGIBLE FIXED ASSETS

| | L/Term Leasehold Property £ | Office equipment £ | Total £ |
|-----------------------------------|--------------------------------------|--------------------------|------------|
| Cost or valuation | | | |
| At 1 April 2011 and 31 March 2012 | 600,000 | 159,253 | 759,253 |
| Depreciation | | | |
| At 1 April 2011 | 60,000 | 154,890 | 214,890 |
| Charge for the year | 12,000 | 4,164 | 16,164 |
| At 31 March 2012 | 72,000 | 159,054 | 231,054 |
| Net book value | | | |
| At 31 March 2012 | 528,000 | 199 | 528,199 |
| At 31 March 2011 | 540,000 | 4,363 | 544,363 |

Cost or valuation at 31 March 2012 is as follows

| | Land and buildings £ |
|------------------------------------|----------------------------|
| At cost | 378,849 |
| At valuation | |
| 31 March 2006 at open market value | 221,151 |
| | <u>600,000</u> |

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

| | 2012 £ | 2011 £ |
|--------------------------|----------------|----------------|
| Cost | 378,849 | 378,849 |
| Accumulated depreciation | (45,462) | (37,885) |
| Net book value | <u>333,387</u> | <u>340,964</u> |

The property is held under lease commencing October 1992 for eight hundred years and was valued at 31 March 2006 by Fletcher King, Chartered Surveyors at open market value. The surplus arising from the revaluation was taken to the revaluation reserve.

METSKILL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

8 DEBTORS

| | 2012 £ | 2011 £ |
|---------------|----------------|----------------|
| Trade debtors | 375,850 | 177,163 |
| Other debtors | 2,896 | - |
| | <u>378,746</u> | <u>177,163</u> |

9. CREDITORS

Amounts falling due within one year

| | 2012 £ | 2011 £ |
|------------------------------|----------------|----------------|
| Bank loans and overdrafts | 647,015 | 209,781 |
| Trade creditors | 1,059 | 4,611 |
| Accruals and deferred income | 82,172 | 336,360 |
| | <u>730,246</u> | <u>550,752</u> |

10 CREDITORS

Amounts falling due after more than one year

| | 2012 £ | 2011 £ |
|------------------------------|----------------|----------------|
| Other loans | 91,114 | 91,114 |
| Accruals and deferred income | 14,449 | 17,210 |
| | <u>105,563</u> | <u>108,324</u> |

11. SHARE CAPITAL

| | 2012 £ | 2011 £ |
|---|--------------|--------------|
| Allotted, called up and fully paid | | |
| 1,048 Ordinary shares of £1 each | 1,048 | 1,048 |
| 50 Preference shares of £1 each | 50 | 50 |
| | <u>1,098</u> | <u>1,098</u> |

The Ordinary Shares are held by the Science, Engineering and Manufacturing Technologies Alliance

In the event of a winding up, surplus assets available for distribution shall be applicable in the following manner and priority

First, in returning to the holders of the Preference Shares the capital paid up on their shares and if the

METSKILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

11 SHARE CAPITAL (continued)

surplus assets are insufficient to repay such capital in full repayment shall be made pro rata among them according to the capital paid up by each of them, secondly, in returning to the holders of the Ordinary Shares the capital paid up on their shares and if the surplus assets are insufficient to repay such capital in full then repayment shall be made pro rata among them according to the capital paid up by each of them, and thirdly, any remaining assets shall be divided between the holders of the Preference Shares in proportion to the amount of levies paid by them over such period as the Directors may determine

12 RESERVES

| | Revaluation reserve £ | Profit and loss account £ |
|---------------------|-----------------------------|---------------------------------|
| At 1 April 2011 | 318,096 | (256,744) |
| Profit for the year | | 8,686 |
| At 31 March 2012 | <u>318,096</u> | <u>(248,058)</u> |

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2012 £ | 2011 £ |
|-----------------------------|---------------|------------------|
| Opening shareholders' funds | 62,450 | 295,224 |
| Profit/(loss) for the year | <u>8,686</u> | <u>(232,774)</u> |
| Closing shareholders' funds | <u>71,136</u> | <u>62,450</u> |

14. PENSION COMMITMENTS

The Company contributes to a defined benefit final salary scheme managed by the ITB Pension Funds. The scheme's fund is financed by contributions from the Company and from employees and is managed by legally appointed trustees. The Government Actuary has advised that as the scheme is a consolidated scheme it falls outside the requirements of FRS 17.

The cost to the Company for the year was £7,222 (2011 £11,277).

Contributions by the Company were determined on the advice of the Government Actuary using the prospective benefits method. The most recent valuation was at 31 March 2011. The major assumption used in the valuation was that investment returns would exceed earnings increases by 1.5% per annum. The next actuarial valuation will be at 31 March 2014.

The valuation showed the actuarial value of the scheme's assets was £539 million. The actuarial value of these assets represented 109% of the benefits which had accrued to members.

The standard contribution rate payable by the participating employers was fixed at 7.6% of pensionable pay for the year ended 31 March 2012.

METSKILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

15. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption allowed by Financial Reporting Standard 8 "Related Party Transactions", not to disclose any transactions that are included in the consolidated financial statements of Science, Engineering and Manufacturing Technologies Alliance

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Directors regard the Science, Engineering and Manufacturing Technologies Alliance, a charitable company registered in England, as the Company's ultimate parent undertaking and ultimate controlling party

The Science, Engineering and Manufacturing Technologies Alliance is the parent undertaking of the only group of which MetSkill Limited is a member for which group accounts are drawn up. Copies of those accounts are available from the Science, Engineering and Manufacturing Technologies Alliance, 14 Upton Road, Watford, WD18 0JT