

Ref 6

MET-CLAD CONTRACTS LIMITED

FINANCIAL STATEMENTS

30 November 1998

Registered number: 3185456



MET-CLAD CONTRACTS LIMITED
FINANCIAL STATEMENTS
for the year ended 30 November 1998

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MET-CLAD CONTRACTS LIMITED

COMPANY INFORMATION

30 November 1998

Directors	D J Meer G Davies A Pickering D J Mundell - appointed 1 December 1997 P Cosford - appointed 1 December 1997
Secretary	D J Meer
Company Number	3185456 (England and Wales)
Registered Office	Hazleford Way Newstead Industrial Park Newstead Nottinghamshire NG15 0DQ
Bankers	National Westminster Bank Plc Smiths Bank Branch 16 South Parade Nottingham NG1 2JX
Auditors	Brooks Mayfield Registered Auditors and Chartered Accountants 12 Bridgford Road West Bridgford Nottingham NG2 6AB

MET-CLAD CONTRACTS LIMITED

DIRECTORS' REPORT

30 November 1998

The directors present their report and the audited financial statements for the year ended 30 November 1998.

Principal activity

The principal activity of the company is roofing and cladding specialists.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £325,850.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	30 November 1998 Ordinary shares	1 December 1997 Ordinary shares
D J Meer	-	-
G Davies	-	-
A Pickering	-	-
D J Mundell - appointed 1 December 1997	-	-
P Cosford - appointed 1 December 1997	-	-

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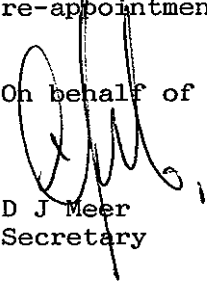
DIRECTORS' REPORT
(continued)

30 November 1998

Auditors

Brooks Mayfield have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board


D J Meer
Secretary

9 February 1999

Hazleford Way
Newstead Industrial Park
Newstead
Nottinghamshire
NG15 0DQ

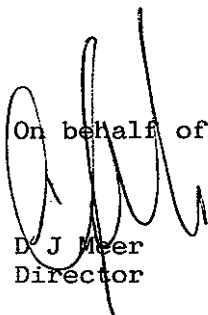
MET-CLAD CONTRACTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of 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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



On behalf of the board

D. J. Meer
Director

9 February 1999

MET-CLAD CONTRACTS LIMITED**AUDITORS' REPORT****Auditors' report to the members of****Met-Clad Contracts Limited**

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

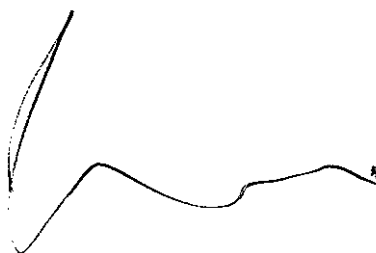
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Brooks Mayfield
Registered Auditors and
Chartered Accountants
12 Bridgford Road
West Bridgford
Nottingham
NG2 6AB

9 February 1999



MET-CLAD CONTRACTS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30 November 1998

	Note	1998 £	1997 £
Turnover		5,399,316	1,718,168
Cost of sales		(4,004,046)	(1,348,806)
Gross profit		1,395,270	369,362
Net operating expenses			
Distribution costs		(91,740)	(54,235)
Administrative expenses		(937,036)	(230,594)
Operating profit	2	366,494	84,533
Investment income		12,988	7,888
Interest payable	4	(4,858)	(3,380)
Profit on ordinary activities before taxation		374,624	89,041
Taxation	5	(116,314)	(22,501)
Profit on ordinary activities after taxation	12	258,310	66,540
retained for the year			

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1998 or 1997 other than the profit for the year.

The notes on pages 8 to 14 form part of these financial accounts.

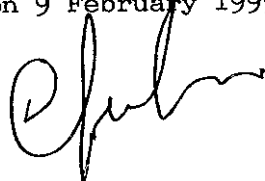
MET-CLAD CONTRACTS LIMITED

BALANCE SHEET

at 30 November 1998

	Note	1998 £	1997 £
Fixed assets			
Tangible assets	6	169,663	131,241
Current assets			
Debtors	7	1,150,574	735,609
Cash at bank and in hand		<u>558,685</u>	<u>91,515</u>
		1,709,259	827,124
Creditors: amounts falling due within one year	8	<u>(1,517,432)</u>	<u>(865,208)</u>
Net current assets/(liabilities)		<u>191,827</u>	<u>(38,084)</u>
Total assets less current liabilities		<u>361,490</u>	<u>93,157</u>
Creditors: amounts falling due after more than one year	9	(31,074)	(23,193)
Provision for liabilities and charges	10	<u>(4,566)</u>	<u>(2,424)</u>
		<u>325,850</u>	<u>67,540</u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account	12	<u>324,850</u>	<u>66,540</u>
Total shareholders' funds	13	<u>325,850</u>	<u>67,540</u>

The financial statements on pages 5 to 14 were approved by the board of directors on 9 February 1999 and signed on its behalf by:



D J Meer
Director

The notes on pages 8 to 14 form part of these financial statements.

MET-CLAD CONTRACTS LIMITED

CASH FLOW STATEMENT

for the year ended 30 November 1998

	Note	1998 £	1997 £
Net cash inflow from operating activities	15	539,644	173,862
Returns on investments and servicing of finance			
Interest received		9,976	797
Interest paid		(100)	(625)
Interest element of finance lease rental payments		(4,758)	(2,755)
Other returns		3,012	7,091
		<u>8,130</u>	<u>4,508</u>
Taxation			
Corporation tax paid		(19,619)	(453)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(92,621)	(172,331)
Sale of tangible fixed assets		1,000	14,000
		<u>(91,621)</u>	<u>(158,331)</u>
		436,534	19,586
Financing			
Issue of share capital		-	999
New finance leases		47,343	80,645
Capital element of finance lease rentals repaid		(43,234)	(23,920)
		<u>4,109</u>	<u>56,725</u>
Increase in cash		<u>440,643</u>	<u>76,311</u>

MET-CLAD CONTRACTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1998

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996).

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	15% reducing balance basis
Motor vehicles	25% reducing balance basis

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

MET-CLAD CONTRACTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1998

2 Operating profit

	1998 £	1997 £
Operating profit is stated after charging		
Staff costs (note 3)	896,137	330,555
Directors' remuneration	235,850	77,708
Audit and accountancy	2,750	2,500
Hire of plant and machinery	183,876	83,237
Loss on sale of assets	4,443	3,003
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 6)		
Owned assets	15,843	5,743
Leased assets	32,913	18,344
	<u> </u>	<u> </u>
	48,756	24,087
	<u> </u>	<u> </u>

3 Directors and employees

	1998 £	1997 £
Staff costs including directors' emoluments		
Wages and salaries	1,079,948	467,109
Pension costs	125,904	23,159
	<u> </u>	<u> </u>
	1,205,852	490,268
	<u> </u>	<u> </u>
Average monthly number employed including executive directors:	Number 60	Number 33
	<u> </u>	<u> </u>
Directors	£	£
Emoluments	235,850	77,708
Company contributions to money purchase pension schemes	121,288	18,124
	<u> </u>	<u> </u>
	357,138	95,832
	<u> </u>	<u> </u>
Highest paid director	£	£
Emoluments	68,677	26,000
Company contributions to a money purchase pension scheme	57,287	8,600
	<u> </u>	<u> </u>

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £121,288 (1997 £18,124).

MET-CLAD CONTRACTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1998

4 Interest payable

	1998 £	1997 £
Bank interest	100	625
Hire purchase interest	4,758	2,755
	<u>4,858</u>	<u>3,380</u>

5 Taxation

	1998 £	1997 £
Corporation tax on profit on ordinary activities at 28.77% (1997 24/21%)	114,177	20,077
Deferred taxation	2,142	2,424
	<u>116,319</u>	<u>22,501</u>
Over provision in earlier years	(5)	-
	<u>116,314</u>	<u>22,501</u>

6 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Total £
1 December 1997	147,374	63,434	210,808
Additions	69,490	23,131	92,621
Disposals	(9,500)	-	(9,500)
30 November 1998	<u>207,364</u>	<u>86,565</u>	<u>293,929</u>
Depreciation			
1 December 1997	51,992	27,576	79,568
Charge for year	39,908	8,848	48,756
Disposals	(4,057)	-	(4,057)
30 November 1998	<u>87,843</u>	<u>36,424</u>	<u>124,267</u>
Net book amount			
30 November 1998	<u>119,522</u>	<u>50,141</u>	<u>169,663</u>
1 December 1997	<u>95,383</u>	<u>35,858</u>	<u>131,241</u>

The net book amount of fixed assets includes £104,662 (1997 £94,335) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 2.

MET-CLAD CONTRACTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1998

7 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	1,146,594	733,329
Prepayments and accrued income	3,980	2,280
	<u>1,150,574</u>	<u>735,609</u>

8 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank overdraft (secured)	41,731	15,204
Trade creditors	829,600	397,136
Amounts owed to holding company	228,951	268,649
Corporation tax	114,177	19,624
Other taxation and social security	117,117	105,442
Accruals and deferred income	157,095	26,620
Obligations under finance leases and hire purchase contracts (secured)	28,761	32,533
	<u>1,517,432</u>	<u>865,208</u>

The bank overdraft is secured by an unscheduled mortgage debenture.
The finance leases and hire purchase contracts are secured on the assets concerned.

9 Creditors: amounts falling due after more than one year

	1998 £	1997 £
Other liabilities		
Obligations under finance leases and hire purchase contracts (secured)	31,074	23,193
	<u>31,074</u>	<u>23,193</u>

MET-CLAD CONTRACTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1998

10 Deferred taxation

	1998		1997	
	Amount unprovided £	Amount provided £	Amount unprovided £	Amount provided £
Corporation tax deferred by				
Accellerated capital allowances	-	4,566	-	2,424
	<u>-</u>	<u>4,566</u>	<u>-</u>	<u>2,424</u>

Deferred taxation is based on a corporation tax rate of 31% (1997 21%).

11 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

12 Profit and loss account

	1998 £
1 December 1997	66,540
Retained profit for the year	<u>258,310</u>
30 November 1998	<u>324,850</u>

MET-CLAD CONTRACTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1998

13 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year	258,310	66,540
New share capital subscribed	-	999
	<u>258,310</u>	<u>67,539</u>
Opening shareholders' funds	67,540	1
Closing shareholders' funds	<u>325,850</u>	<u>67,540</u>

14 Ultimate parent undertaking

The holding company is Met-Clad Contracts (Holdings) Limited,
A company registered in England.

15 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	1998 £	1997 £
Operating profit	366,494	84,533
Depreciation charges	48,756	24,087
Loss on sale of fixed assets	4,443	3,003
Increase in debtors	(414,965)	(735,608)
Increase in creditors	<u>534,916</u>	<u>797,847</u>
Net cash inflow from operating activities	<u>539,644</u>	<u>173,862</u>

MET-CLAD CONTRACTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1998

15 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	Other changes £	At end of year £
Cash at bank and in hand	91,515	467,170	-	558,685
Bank overdrafts	(15,204)	(26,527)	-	(41,731)
		<u>440,643</u>		
Finance leases	(55,726)	43,234	(47,343)	(59,835)
		<u>39,462</u>		
Total	<u>20,585</u>	<u>483,877</u>	<u>(47,343)</u>	<u>467,119</u>

Reconciliation of net cash flow to movement in net debt

	1998 £	1997 £
Increase in cash in the year	440,643	76,311
Cash outflow (inflow) from decrease (increase) in debt and lease financing	43,234	(14,548)
Change in net debt resulting from cash flows	483,877	61,763
New finance leases	(47,343)	(41,178)
Movement in net debt in the year	436,534	20,585
Net debt at 1 December 1997	20,585	-
Net debt at 30 November 1998	<u>457,119</u>	<u>20,585</u>