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MET-CLAD CONTRACTS LIMITED

FINANCIAL STATEMENTS

30 NOVEMBER 1999

Registered number: 3185456



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MET-CLAD CONTRACTS LIMITED

FINANCIAL STATEMENTS

for the year ended 30 November 1999

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COMPANY INFORMATION

30 November 1999

Directors	D J Meer G Davies A Pickering D J Mundell P Cosford P N Merryweather (appointed 19 April 1999)
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

DIRECTORS' REPORT

30 November 1999

The directors present their report and the audited financial statements for the year ended 30 November 1999.

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 £405,000.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. An ordinary dividend amounting to £500,000 was paid in the year.

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 1999 Ordinary shares	1 December 1998 Ordinary shares
D J Meer	-	-
G Davies	-	-
A Pickering	-	-
D J Mundell	-	-
P Cosford	-	-
P N Merryweather (appointed 19 April 1999)	-	-

continued

MET-CLAD CONTRACTS LIMITED

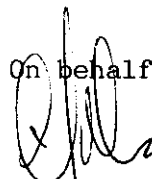
DIRECTORS' REPORT
(continued)

30 November 1999

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

Hazleford Way
Newstead Industrial Park
Newstead
Nottinghamshire
NG15 0DQ

9 June 2000

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 June 2000

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 15 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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.

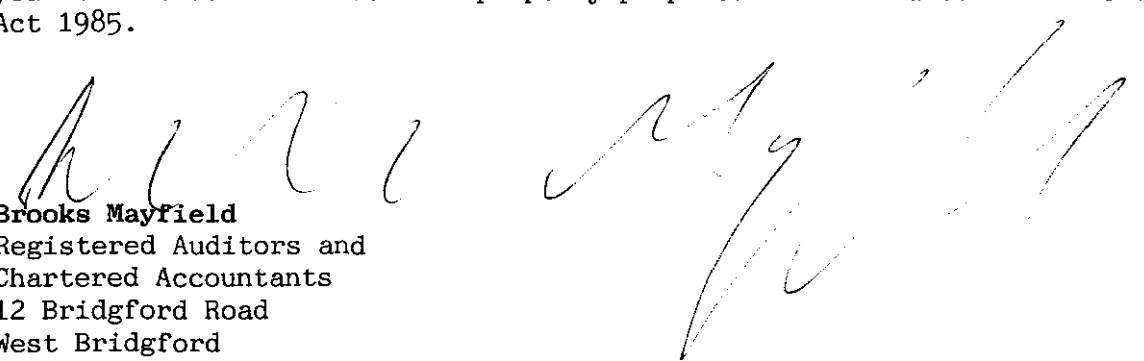
Basis of opinion

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 1999 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 June 2000

MET-CLAD CONTRACTS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30 November 1999

	Note	1999 £	1998 £
Turnover		7,319,523	5,399,316
Cost of sales		(5,144,133)	(4,004,046)
Gross profit		2,175,390	1,395,270
Net operating expenses			
Distribution costs		(252,239)	(91,740)
Administrative expenses		(1,103,342)	(937,036)
Operating profit	2	819,809	366,494
Investment income		25,879	12,988
Interest payable	4	(5,756)	(4,858)
Profit on ordinary activities before taxation		839,932	374,624
Taxation	5	(260,782)	(116,314)
Profit on ordinary activities after taxation		579,150	258,310
Dividends	6	(500,000)	-
Retained profit for the year	13	79,150	258,310

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

There were no recognised gains and losses in 1999 or 1998 other than the profit for the year.

The notes on pages 8 to 15 form part of these financial statements.

BALANCE SHEET

at 30 November 1999

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	7	184,339	169,663
Current assets			
Debtors	8	730,429	1,150,574
Cash at bank and in hand		<u>806,217</u>	<u>558,685</u>
		1,536,646	1,709,259
Creditors: amounts falling due within one year	9	<u>(1,311,571)</u>	<u>(1,517,432)</u>
Net current assets		<u>225,075</u>	<u>191,827</u>
Total assets less current liabilities		<u>409,414</u>	<u>361,490</u>
Creditors: amounts falling due after more than one year	10	-	(31,074)
Provision for liabilities and charges	11	<u>(4,414)</u>	<u>(4,566)</u>
		<u>405,000</u>	<u>325,850</u>
Capital and reserves			
Called up share capital	12	1,000	1,000
Profit and loss account	13	<u>404,000</u>	<u>324,850</u>
Total shareholders' funds	14	<u>405,000</u>	<u>325,850</u>

The financial statements on pages 5 to 15 were approved by the board of directors on 9 June 2000 and signed on its behalf by:



D J Meer
Director

The notes on pages 8 to 15 form part of these financial statements.

MET-CLAD CONTRACTS LIMITED

CASH FLOW STATEMENT

for the year ended 30 November 1999

	Note	1999 £	1998 £
Net cash inflow from operating activities	16	845,110	539,644
Returns on investments and servicing of finance			
Interest received		25,879	9,976
Interest paid		-	(100)
Interest element of finance lease rental payments		(5,756)	(4,758)
Other returns		-	3,012
		<u>20,123</u>	<u>8,130</u>
Taxation			
Corporation tax (paid)/received		(114,177)	(19,619)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(83,328)	(92,621)
Sale of tangible fixed assets		12,576	1,000
		<u>(70,752)</u>	<u>(91,621)</u>
		680,304	436,534
Equity dividends paid		(500,000)	-
		<u>180,304</u>	<u>436,534</u>
Financing			
New finance leases		8,290	47,343
Capital element of finance lease rentals		(60,109)	(43,234)
		<u>(51,819)</u>	<u>4,109</u>
Increase in cash		<u>128,485</u>	<u>440,643</u>

MET-CLAD CONTRACTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1999

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.

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.

NOTES ON FINANCIAL STATEMENTS

30 November 1999

2 Operating profit

	1999 £	1998 £
Operating profit is stated after charging:		
Staff costs (note 3)	1,622,576	1,205,852
Audit and accountancy	3,000	2,750
Operating leases:		
Hire of plant and machinery	369,468	183,876
Loss on sale of assets	4,222	4,443
Depreciation of tangible fixed assets (note 7):		
Owned assets	46,781	15,843
Leased assets	5,073	32,913
	<u>51,854</u>	<u>48,756</u>

3 Directors and employees

	1999 £	1998 £
Staff costs including directors' emoluments		
Wages and salaries	1,493,967	1,079,948
Pension costs	128,609	125,904
	<u>1,622,576</u>	<u>1,205,852</u>
Average monthly number employed including executive directors:	Number <u>65</u>	Number <u>60</u>
Directors	£	£
Emoluments	320,048	235,850
Company contributions to money purchase pension schemes	120,970	121,288
	<u>441,018</u>	<u>357,138</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 £128,609 (1998 £125,904).

MET-CLAD CONTRACTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1999

4 Interest payable

	1999 £	1998 £
Bank interest	-	100
Hire purchase interest	5,756	4,758
	<u>5,756</u>	<u>4,858</u>

5 Taxation

	1999 £	1998 £
Corporation tax on profit on ordinary activities at 31/30% (1998 31%)	260,934	114,177
Deferred taxation	(152)	2,142
	<u>260,782</u>	<u>116,319</u>
Over provision in earlier years	-	(5)
	<u>260,782</u>	<u>116,314</u>

6 Dividends

	1999 £	1998 £
Interim dividends of £500 per share (1998 £nil)	<u>500,000</u>	<u>-</u>

NOTES ON FINANCIAL STATEMENTS

30 November 1999

7 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Total £
1 December 1998	207,364	86,565	293,929
Additions	49,657	33,671	83,328
Disposals	(51,532)	-	(51,532)
30 November 1999	<u>205,489</u>	<u>120,236</u>	<u>325,725</u>
Depreciation			
1 December 1998	87,842	36,424	124,266
Charge for the year	39,283	12,571	51,854
Disposals	(34,734)	-	(34,734)
30 November 1999	<u>92,391</u>	<u>48,995</u>	<u>141,386</u>
Net book amount			
30 November 1999	<u>113,098</u>	<u>71,241</u>	<u>184,339</u>
1 December 1998	<u>119,522</u>	<u>50,141</u>	<u>169,663</u>

The net book amount of fixed assets includes £15,907 (1998 £104,662) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 2.

8 Debtors

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	726,335	1,146,594
Other debtors	449	-
Prepayments and accrued income	3,645	3,980
	<u>730,429</u>	<u>1,150,574</u>

MET-CLAD CONTRACTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1999

9 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank overdraft (secured)	160,778	41,731
Trade creditors	507,927	829,600
Amounts owed to holding company	71,301	228,951
Corporation tax	260,934	114,177
Other taxation and social security	131,949	117,117
Other creditors	7,244	-
Accruals	163,422	157,095
Obligations under finance leases and hire purchase contracts (secured)	8,016	28,761
	<u>1,311,571</u>	<u>1,517,432</u>

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

10 Creditors: amounts falling due after more than one year

	1999 £	1998 £
Other liabilities		
Obligations under finance leases and hire purchase contracts (secured)	-	31,074
	<u>-</u>	<u>31,074</u>

MET-CLAD CONTRACTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1999

11 Deferred taxation

	1999		1998	
	Amount unprovided £	Amount provided £	Amount unprovided £	Amount provided £
Corporation tax deferred by				
accelerated capital allowances	-	4,414	-	4,566
	<u>-</u>	<u>4,414</u>	<u>-</u>	<u>4,566</u>
	<u>-</u>	<u>4,414</u>	<u>-</u>	<u>4,566</u>

Deferred taxation is based on a corporation tax rate of 30% (1998 31%).

12 Called up share capital

	1999		1998	
	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>

13 Profit and loss account

	1999 £
1 December 1998	324,850
Retained profit for the year	<u>79,150</u>
30 November 1999	<u>404,000</u>

MET-CLAD CONTRACTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1999

14 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year	579,150	258,310
Dividends	(500,000)	-
	<u>79,150</u>	<u>258,310</u>
Opening shareholders' funds	325,850	67,540
Closing shareholders' funds	<u>405,000</u>	<u>325,850</u>

15 Ultimate parent undertaking

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

16 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	1999 £	1998 £
Operating profit	819,809	333,066
Depreciation charges	51,854	48,756
Loss on sale of fixed assets	4,222	4,443
Decrease/(increase) in debtors	420,145	(414,965)
(Decrease)/increase in creditors	<u>(450,920)</u>	<u>534,619</u>
Net cash inflow from operating activities	<u>845,110</u>	<u>539,644</u>

MET-CLAD CONTRACTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1999

16 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	558,685	247,532	-	806,217
Bank overdrafts	(41,731)	(119,047)	-	(160,778)
		<u>128,485</u>		
Finance leases	(59,835)	60,109	(8,290)	(8,016)
		<u>60,109</u>		
Total	<u>457,119</u>	<u>188,594</u>	<u>(8,290)</u>	<u>637,423</u>

Reconciliation of net cash flow to movement in net debt

	1999 £	1998 £
Increase in cash in the year	128,485	440,643
Cash outflow from decrease in debt and lease financing	60,109	43,234
Change in net debt resulting from cash flows	<u>188,594</u>	<u>483,877</u>
New finance leases	(8,290)	(47,343)
Movement in net debt in the year	<u>180,304</u>	<u>436,534</u>
Net debt at 1 December 1998	457,119	20,584
Net debt at 30 November 1999	<u>637,423</u>	<u>457,119</u>