

**COMPANIES HOUSE
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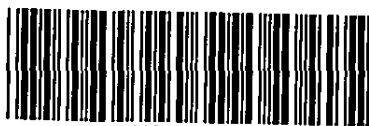
**Metallisation Limited
(Formerly Metallisation Service Limited)**

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2010

**Muras Baker Jones
Chartered Accountants
Wolverhampton**

MONDAY



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COMPANIES HOUSE

Metallisation Limited
(Formerly Metallisation Service Limited)

Company Information

For the year ended 31 December 2010

Directors

T P Lester
R V C Hill
S A Barker
Mrs J J Lester
Mrs E J Hill
Mrs K M Barker

Secretary

R V C Hill

Registered office and business address

Pear Tree Lane
Dudley
West Midlands
DY2 0XH

Company number

04953775

Auditors

Muras Baker Jones
Regent House
Bath Avenue
Wolverhampton
WV1 4EG

Bankers

Lloyds TSB Bank plc
63 High Street
Dudley
West Midlands
DY1 1PY

Solicitors

George Green & Co
195 High Street
Cradley Heath
Warley
West Midlands
B64 5HW

**Metallisation Limited
(Formerly Metallisation Service Limited)**

Annual Report and Financial Statements

For the year ended 31 December 2010

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Metallisation Limited
(Formerly Metallisation Service Limited)

Report of the Directors

For the year ended 31 December 2010

The directors present their report together with the audited financial statements for the year ended 31 December 2010.

Principal activities and review of business

The principal activity of the company and group has been the manufacture of thermal spray equipment and the distribution of thermal spray consumables.

With effect from close of business on 31 December 2009 the company acquired the trade, assets and liabilities of its subsidiary undertaking.

On 9 February 2010 the company did a name swap with its subsidiary undertaking and became Metallisation Limited.

The group achieved a turnover of £9,133,399 compared with £6,713,087 in 2009, with the growth arising largely from additional export sales spread across all product groups. Gross profit margins have been maintained and overhead levels decreased in the year, resulting in profit for the year before taxation increasing from £126,611 in 2009 to £830,427 in 2010.

The directors consider that at a time when the global economy continues to be under great pressure, the company now has a strong balance sheet. The company is committed to continuing its strategy of investing in new products, new machinery and in developing new markets, and through this expects to see further growth in the future.

Results and dividends

The group profit for the year, after taxation, amounted to £606,741. The directors do not recommend the payment of a final dividend.

Principal risks and uncertainties

The principal risks facing the group are that there will be a severe reduction in global demand for the group's products and that Sterling will significantly increase in value against the Euro and the US Dollar.

Mitigating against the first risk are the facts that the group's markets are very diversified in terms of territories sold to and also in terms of end industry that the products are consumed in. With regard to the second risk, the group is a net beneficiary from the current weak level of sterling and uses a variety of hedging tools to offset the downside risk of a sudden strengthening of the currency.

The directors believe that the key to continued success is diversity and therefore the group invests in the development of a broad range of technologically advanced products capable of serving a wide range of industrial applications across the UK and worldwide.

Financial instruments

The group holds financial instruments to finance its operations and as a tool to manage currency exposure risks arising from its operations.

**Metallisation Limited
(Formerly Metallisation Service Limited)**

Report of the Directors

For the year ended 31 December 2010

Financial instruments (continued)

In addition, various financial instruments such as trade debtors and trade creditors arise directly from the group's operations. The group performs credit checks for all significant customers and carries insurance policies to minimise bad debt risk.

Operations and working capital requirements are funded principally out of short term banking facilities and retained profits.

Directors

The directors of the company during the year were:

T P Lester
R V C Hill
S A Barker
Mrs J J Lester
Mrs E J Hill
Mrs K M Barker

Directors responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to give a true and fair view of the state of the affairs of the group and of the profit or loss of the group for that year. In preparing these 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors of the group must, in determining how amounts are presented within items in the profit and loss account and a balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make aware of any relevant audit information and to establish that the group's auditors are aware of that information.

(Formerly Metallisation Service Limited)


Report of The Directors

For the year ended 31 December 2010

Auditors

Muras Baker Jones are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the Board on 25 March 2011 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'R V C Hill', written in a cursive style.

R V C Hill
Director and Secretary

**Metallisation Limited
(Formerly Metallisation Service Limited)**

**Independent Auditors Report to the Members of
Metallisation Limited (Formerly Metallisation Service Limited)**

We have audited the group and parent company financial statements of Metallisation Limited (formerly Metallisation Service Limited) for the year ended 31 December 2010, which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds 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).

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 set out on page 2, 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 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 (APB'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.

Opinion on the financial statements

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the group's and company's affairs as at 31 December 2010 and of the group's 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.

**Metallisation Limited
(Formerly Metallisation Service Limited)**

**Independent Auditors Report to the Members of
Metallisation Limited (Formerly Metallisation Service Limited) (Continued)**

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.



**S Ross (Senior Statutory Auditor)
For and on behalf of Muras Baker Jones
Chartered Accountants and
Statutory Auditor
Regent House
Bath Avenue
Wolverhampton
WV1 4EG**

25 March 2011

Metallisation Limited
(Formerly Metallisation Service Limited)

Consolidated Profit and Loss Account

For the year ended 31 December 2010

	Note	2010 £	2009 £
Turnover	2	9,133,399	6,713,087
Cost of sales		(7,043,555)	(5,149,943)
Gross profit		2,089,844	1,563,144
Administrative expenses		(1,251,112)	(1,422,748)
Group operating profit	3	838,732	140,396
Interest receivable and similar income	6	185	62
Interest payable and similar charges	7	(8,490)	(13,847)
Profit on ordinary activities before taxation		830,427	126,611
Taxation on profit on ordinary activities	8	(223,686)	(30,768)
Profit on ordinary activities after taxation	17	606,741	95,843

All amounts relate to continuing activities.

There are no recognised gains or losses other than the profit for the above financial years.

The notes on pages 10 to 21 form part of these financial statements.

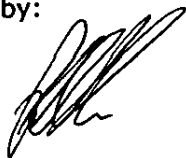
Metallisation Limited
(Formerly Metallisation Service Limited)

Consolidated Balance Sheet

At 31 December 2010

	Note	£	2010 £	£	2009 £
Fixed assets					
Tangible assets	10		373,499		128,287
Current assets					
Stocks	12	1,045,210		734,905	
Debtors	13	2,365,419		1,262,782	
Cash at bank and in hand		201,747		162,822	
		3,612,376		2,160,509	
Creditors: amounts falling due within one year	14	2,266,625		1,200,287	
Net current assets			1,345,751		960,222
Total assets less current liabilities			1,719,250		1,088,509
Provisions for liabilities	15		(24,000)		-
			1,695,250		1,088,509
Capital and reserves					
Called up share capital	16		196,128		196,128
Profit and loss account	17		1,499,122		892,381
Shareholders' funds	18		1,695,250		1,088,509

The financial statements were approved by the board of directors on 25 March 2011 and signed on its behalf by:



R V C Hill
Director

Registration number 04953775

The notes on pages 10 to 21 form part of these financial statements.


Metallisation Limited
(Formerly Metallisation Service Limited)

Company Balance Sheet

At 31 December 2010

	Note	2010		2009	
		£	£	£	£
Fixed assets					
Tangible assets	10		373,499		128,287
Fixed asset investments	11		100,000		100,000
			<u>473,499</u>		<u>228,287</u>
Current assets					
Stocks	12	1,045,210		734,905	
Debtors	13	2,365,419		1,262,782	
Cash at bank and in hand		201,747		162,822	
		<u>3,612,376</u>		<u>2,160,509</u>	
Creditors: amounts falling due within one year	14	2,366,625		1,300,287	
		<u>2,366,625</u>		<u>1,300,287</u>	
Net current assets			<u>1,245,751</u>		<u>860,222</u>
Total assets less current liabilities			<u>1,719,250</u>		<u>1,088,509</u>
Provisions for liabilities	15		(24,000)		-
			<u>1,695,250</u>		<u>1,088,509</u>
Capital and reserves					
Called up share capital	16		196,128		196,128
Profit and loss account	17		1,499,122		892,381
			<u>1,695,250</u>		<u>1,088,509</u>
Shareholders' funds	18		<u>1,695,250</u>		<u>1,088,509</u>

The financial statements were approved by the board of directors on 25 March 2011 and signed on its behalf by:



R V C Hill
Director

Registration number 04953775

The notes on pages 10 to 21 form part of these financial statements.

Metallisation Limited
(Formerly Metallisation Service Limited)

Consolidated Cash Flow Statement

For the year ended 31 December 2010

	Note	2010	2009
		£	£
Net cash inflow from operating activities	24	272,568	163,265
Returns on investments and servicing of finance			
Interest received		185	62
Interest paid		(8,490)	(13,847)
		<hr/>	<hr/>
Net cash outflow from returns on investments and servicing of finance		(8,305)	(13,785)
Taxation			
Corporation tax paid		(23,021)	(49,868)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(287,743)	(61,933)
Receipts from sale of tangible fixed assets		-	755,487
		<hr/>	<hr/>
Net cash inflow/(outflow) from capital expenditure and financial investment		(287,743)	693,554
Equity dividends paid		-	(18,000)
		<hr/>	<hr/>
Cash (outflow)/Inflow before financing		(46,501)	775,166
Financing			
Bank loans repaid		-	(501,199)
		<hr/>	<hr/>
(Decrease)/increase in cash		(46,501)	273,967
		<hr/>	<hr/>

The notes on pages 10 to 21 form part of these financial statements.

Metallisation Limited
(Formerly Metallisation Service Limited)

Notes to the Financial Statements

For the year ended 31 December 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and comply with financial reporting standards of the Accounting Standards Board.

1.2 Basis of consolidation

The consolidated financial statements incorporate the results of Metallisation Limited (formerly Metallisation Service Limited) and its subsidiary undertaking as at 31 December 2010 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

1.3 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax.

1.4 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

1.5 Depreciation

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

Freehold property	-	over 50 years
Short leasehold improvements	-	over life of lease
Plant and machinery	-	over 4 to 10 years
Motor vehicles	-	over 4 years
Fixtures and fittings	-	over 3 to 10 years

1.6 Leasing

Rentals paid under operating leases are charged against income on a straight line basis over the lease term.

1.7 Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

1.8 Stock

Stocks are valued at the lower of cost and net realisable value on an item by item basis. Cost is arrived at by reference to the direct costs incurred in bringing stocks to their present location and condition at the end of the year. Net realisable value is based on the estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Metallisation Limited
(Formerly Metallisation Service Limited)

Notes to the Financial Statements

For the year ended 31 December 2010

1 Accounting policies (continued)

1.9 Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

1.10 Financial instruments

The group holds financial instruments to finance its operation and as a tool to manage currency exposure risks arising from its operations.

In addition, various financial instruments such as trade debtors and trade creditors arise directly from the group's operations. The group performs credit checks for all significant customers and carries insurance policies to minimise bad debt risk.

Operations and working capital requirements are funded principally out of short term banking facilities and retained profits.

1.11 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.12 Pension costs

The cost of providing pensions in respect of defined contribution schemes is charged to the profit and loss account when contributions become payable

2 Turnover

Turnover is wholly attributable to the principal activity of the group.

The analysis of turnover by geographical market required by SI 2009/410 Schedule 1 Paragraph 68(5) has not been provided as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the group.

Metallisation Limited
(Formerly Metallisation Service Limited)

Notes to the Financial Statements

For the year ended 31 December 2010

3 Operating profit

	2010	2009
	£	£
This is arrived at after charging/(crediting):		
(Profit) on disposal of tangible fixed assets	-	(27,317)
Depreciation of tangible fixed assets	42,531	44,994
Research and development expenditure	51,907	51,416
Net foreign exchange loss	14,564	22,061
Operating lease rentals		
- other assets	94,871	67,313
- land & buildings	100,000	51,781
Auditors' remuneration:		
Group - audit services	10,800	10,900
Group - non-audit services	6,780	4,400
	<u> </u>	<u> </u>

4 Employees

Staff costs (including directors) consist of:

	2010	2009
	£	£
Wages and salaries	1,146,827	1,028,976
Social security costs	130,480	117,412
Other pension costs	40,751	371,915
	<u> </u>	<u> </u>
	1,318,058	1,518,303
	<u> </u>	<u> </u>

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

	2010	2009
Production	11	10
Sales and administration	21	21
	<u> </u>	<u> </u>
	32	31
	<u> </u>	<u> </u>

Metallisation Limited
(Formerly Metallisation Service Limited)

Notes to the Financial Statements

For the year ended 31 December 2010

5 Directors' remuneration

	2010	2009
	£	£
Directors' emoluments	325,596	278,267
Company contributions to money purchase pension schemes	33,782	363,282
	<u>359,378</u>	<u>641,549</u>

There were 3 directors in defined contribution pension schemes to which the group makes contributions during the year (2009 - 3).

The total amount payable to the highest paid director in respect of emoluments was £99,919 (2009 - £95,973). Company pension contributions of £7,200 (2009 - £185,200) were made to a money purchase scheme on his behalf.

6 Interest receivable and similar income

	2010	2009
	£	£
Bank interest	185	62
	<u>185</u>	<u>62</u>

7 Interest payable and similar charges

	2010	2009
	£	£
Bank overdraft	8,490	13,847
	<u>8,490</u>	<u>13,847</u>

Metallisation Limited
(Formerly Metallisation Service Limited)

Notes to the Financial Statements

For the year ended 31 December 2010

8 Taxation on profit on ordinary activities

	2010 £	2009 £
<i>UK corporation tax</i>		
Current tax on profit of the year	203,000	26,000
Adjustment in respect of previous periods	(3,314)	(5,132)
	<hr/>	<hr/>
Total current tax	199,686	20,868
<i>Deferred tax</i>		
Origination and reversal of timing differences	24,000	9,900
	<hr/>	<hr/>
Taxation on profit on ordinary activities	223,686	30,768
	<hr/> <hr/>	<hr/> <hr/>

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

Profit on ordinary activities before tax	830,427	126,611
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 - 21%)	232,520	26,588
Effect of:		
Expenses not deductible for tax purposes	8,681	5,453
Depreciation for period in excess of capital allowances	(25,816)	(8,653)
Rounding on tax provision	433	263
Short term timing differences	(28)	(1,095)
Adjustment to tax charge in respect of previous periods	(3,314)	(5,132)
Chargeable gain	-	3,444
Marginal relief	(12,790)	-
	<hr/>	<hr/>
Current tax charge for period	199,686	20,868
	<hr/> <hr/>	<hr/> <hr/>

Metallisation Limited
(Formerly Metallisation Service Limited)

Notes to the Financial Statements

For the year ended 31 December 2010

9 Dividends

	2010 £	2009 £
Paid during the year:		
Interim equity dividends on ordinary shares	-	18,000

10 Tangible fixed assets

Group and Company

	Short leasehold improvements £	Plant machinery and vehicles £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>				
At 1 January 2010	43,944	419,150	160,167	623,261
Additions	-	278,228	9,515	287,743
Disposals	-	(10,650)	-	(10,650)
	<u>43,944</u>	<u>686,728</u>	<u>169,682</u>	<u>900,354</u>
At 31 December 2010	<u>43,944</u>	<u>686,728</u>	<u>169,682</u>	<u>900,354</u>
<i>Depreciation</i>				
At 1 January 2010	4,394	359,851	130,729	494,974
Charge for the year	4,394	19,943	18,194	42,531
Disposals	-	(10,650)	-	(10,650)
	<u>8,788</u>	<u>369,144</u>	<u>148,923</u>	<u>526,855</u>
At 31 December 2010	<u>8,788</u>	<u>369,144</u>	<u>148,923</u>	<u>526,855</u>
<i>Net book value</i>				
At 31 December 2010	<u>35,156</u>	<u>317,584</u>	<u>20,759</u>	<u>373,499</u>
At 31 December 2009	<u>39,550</u>	<u>59,299</u>	<u>29,438</u>	<u>128,287</u>

Metallisation Limited
(Formerly Metallisation Service Limited)

Notes to the Financial Statements

For the year ended 31 December 2010

11 Fixed asset investments

Company

	Investments in group undertakings £
<i>Cost</i>	
At 1 January 2010	100,000
Amounts written off investments	-
	<hr/>
At 31 December 2010	100,000
	<hr/> <hr/>

Subsidiary undertaking

The undertaking in which the company's interest at the year end is 20% or more is as follows:

	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertaking</i>		
Metallisation Service Limited (Formerly Metallisation Limited)	100%	Dormant

12 Stocks

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Work in progress	171,370	108,020	171,370	108,020
Finished goods and goods for resale	873,840	626,885	873,840	626,885
	<hr/>	<hr/>	<hr/>	<hr/>
	1,045,210	734,905	1,045,210	734,905
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

Metallisation Limited
(Formerly Metallisation Service Limited)

Notes to the Financial Statements

For the year ended 31 December 2010

13 Debtors

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Amounts receivable within one year:				
Trade debtors	1,673,008	1,171,867	1,673,008	1,171,867
Other debtors	618,199	15,613	618,199	15,613
Prepayments and accrued income	74,212	75,302	74,212	75,302
	<u>2,365,419</u>	<u>1,262,782</u>	<u>2,365,419</u>	<u>1,262,782</u>

14 Creditors: amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank overdraft	251,055	165,629	251,055	165,629
Trade creditors	1,296,749	818,239	1,296,749	818,239
Corporation tax	202,665	26,000	202,665	26,000
Other taxation and social security	74,060	62,237	74,060	62,237
Directors loan accounts	300,000	-	300,000	-
Accruals and deferred income	142,096	128,182	142,096	128,182
Due to group undertakings	-	-	100,000	100,000
	<u>2,266,625</u>	<u>1,200,287</u>	<u>2,366,625</u>	<u>1,300,287</u>

The company has a bank overdraft facility under which advances can be received in respect of unsettled sales invoices. The amount outstanding is secured by a fixed charge over trade debtors.

Metallisation Limited
(Formerly Metallisation Service Limited)

Notes to the Financial Statements

For the year ended 31 December 2010

15 Provisions for liabilities

	Group deferred taxation £	Company deferred taxation £
At 1 January 2010	-	-
Credited/(charged) to profit and loss account	24,000	24,000
	<hr/>	<hr/>
At 31 December 2010	24,000	24,000
	<hr/>	<hr/>

Deferred taxation

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Accelerated capital allowances	24,000	(20,000)	24,000	(20,000)
Sundry timing differences	-	20,000	-	20,000
	<hr/>	<hr/>	<hr/>	<hr/>
	24,000	-	24,000	-
	<hr/>	<hr/>	<hr/>	<hr/>

16 Share capital

	Authorised		Allotted, called up and fully paid	
	2010 £	2009 £	2010 £	2009 £
Ordinary shares of £1 each	200,000	200,000	196,128	196,128
	<hr/>	<hr/>	<hr/>	<hr/>

17 Reserves

Group and Company

	Profit & loss account £
At 1 January 2010	892,381
Profit for the year	606,741
	<hr/>
At 31 December 2010	1,499,122
	<hr/>

Metallisation Limited
(Formerly Metallisation Service Limited)

Notes to the Financial Statements

For the year ended 31 December 2010

18 Reconciliation of movements in shareholders' funds

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Profit for the year	606,741	95,843	606,741	69,270
Other net recognised gains and losses relating to the year				
- Dividends	-	(18,000)	-	(18,000)
Net additions to/(deductions from) shareholders' funds	606,741	77,843	606,741	51,270
Opening shareholders' funds	1,088,509	1,010,666	1,088,509	1,037,239
Closing shareholders' funds	1,695,250	1,088,509	1,695,250	1,088,509

19 Pensions

Defined contribution schemes

The group makes contributions to defined contribution pension schemes, the assets of which are held separately from those of the group in independently administered funds. The pension charge represents contributions payable by the group to the funds and amounted to £40,751 (2009 - £371,915). At 31 December 2010, contributions amounting to £581 (2009 - £683) were payable to the funds and are included in creditors.

20 Commitments under operating leases

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

	Land and buildings		Vehicles and equipment	
	2010	2009	2010	2009
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	10,143	10,822
In two to five years	100,000	100,000	55,314	58,564
After five years	-	-	528	-
	100,000	100,000	65,985	69,386

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Notes to the Financial Statements

For the year ended 31 December 2010

21 Transactions with directors

On 12 November 2010 the company set up an Employee Benefit Trust and made a contribution of £600,000 to the Trust on 17 November 2010. Subsequently the Trust has made interest free loans to the beneficiaries as follows:

	£
T P Lester	300,000
R V C Hill	150,000
S A Barker	150,000
	<hr/>
	600,000
	<hr/>

The above loans are included in other debtors.

The directors have made loans to the company during the year as follows:

	£
T P Lester	150,000
R V C Hill	75,000
S A Barker	75,000
	<hr/>
	300,000
	<hr/>

The loans carry interest at 5% per annum and are repayable in full on 30 November 2011.

22 Related party transactions

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 on the grounds that the subsidiary undertaking which is party to those transactions is a wholly owned subsidiary and is included within the consolidated financial statements of the group.

The group occupy premises owned by Pathfinder Private Pension Scheme, a scheme in which T P Lester, R V C Hill and S A Barker are members and trustees. Rent paid by the group to the scheme amounted to £100,000 (2009 £51,781).

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Notes to the Financial Statements

For the year ended 31 December 2010

23 Controlling interest

The company is controlled by its directors.

24 Reconciliation of operating profit to net cash inflow from operating activities

Operating Profit	838,732	140,396
Depreciation of tangible fixed assets	42,531	44,994
Profit on disposal of tangible fixed assets	-	(27,317)
Decrease/(increase) in stocks	(310,305)	(45,010)
Decrease/(increase) in debtors	(1,102,637)	88,441
(Decrease)/increase in creditors	804,247	(38,239)
	<hr/>	<hr/>
Net cash inflow from operating activities	272,568	163,265
	<hr/>	<hr/>

25 Reconciliation of net cash flow to movement in net debt

	2010 £	2009 £
Increase/(decrease) in cash	(46,501)	273,967
Cash outflow from changes in debt	-	501,199
	<hr/>	<hr/>
Movement in net debt	(46,501)	775,166
Opening net debt	(2,807)	(777,973)
	<hr/>	<hr/>
Closing net debt	(49,308)	(2,807)
	<hr/>	<hr/>

26 Analysis of net debt

	At 1 January 2010 £	Cash flow £	Other non- cash items £	At 31 December 2010 £
Cash at bank and in hand	162,822	38,925	-	201,747
Bank overdrafts	(165,629)	(85,426)	-	(251,055)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(2,807)	(46,501)	-	(49,308)
	<hr/>	<hr/>	<hr/>	<hr/>