

Registered number 6740881

**SPELLER METCALFE LIMITED  
(FORMERLY SPELLER METCALFE MALVERN LIMITED)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2010**



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**SPELLER METCALFE LIMITED**

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**COMPANY INFORMATION**

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|                           |   |
|---------------------------|---|
| <b>DIRECTORS</b>          | S R Speller<br>A J Metcalfe<br>M E Clarke   |
| <b>COMPANY SECRETARY</b>  | M E Clarke  |
| <b>COMPANY NUMBER</b>     | 6740881   |
| <b>REGISTERED OFFICE</b>  | Maple Road<br>Enigma Business Park<br>Malvern<br>Worcestershire<br>WR14 1GQ                                     |
| <b>SOLICITORS</b>         | Harrison Clark LLP<br>5 Deansway<br>Worcester<br>Worcestershire<br>WR1 2JG                                      |
| <b>AUDITOR</b>            | Horwath Clark Whitehill LLP<br>Foley House<br>123 Stourport Road<br>Kidderminster<br>Worcestershire<br>DY11 7BW |
| <b>BANKERS</b>            | Svenska Handelsbanken<br>3rd Floor<br>67 Temple Row<br>Birmingham<br>B2 5LS                                     |
| <b>FINANCIAL ADVISERS</b> | McCarthy Taylor Limited<br>100 High Street<br>Evesham<br>Worcestershire<br>WR11 4EU                             |

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**SPELLER METCALFE LIMITED**

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## **SPELLER METCALFE LIMITED**

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### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2010**

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The directors present their report and the financial statements for the period ended 31 March 2010

#### **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 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 the group and of the profit or loss of the group for that period. 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **PROVISION OF INFORMATION TO AUDITOR**

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 and the group's auditor is 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 and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information.

#### **PRINCIPAL ACTIVITIES**

The company acts as a holding company and provides management and administration services to its subsidiary undertakings. The principal activity of its subsidiary undertakings is that of building contractors.

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## **SPELLER METCALFE LIMITED**

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### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2010**

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#### **BUSINESS REVIEW**

The company was incorporated on 4 November 2008 as Speller Metcalfe Malvern Limited and changed its name on 31 December 2008 to Speller Metcalfe Limited. On the same date the existing shares in the company were exchanged for shares in an established company, Speller Metcalfe Malvern Limited (formerly Speller Metcalfe Limited). Another new subsidiary company, Speller Metcalfe Gloucester Limited was also formed to carry out the operations of the Gloucester office from 1 January 2009, previously undertaken by the Gloucester division of Speller Metcalfe Malvern Limited (formerly Speller-Metcalfe Limited). In November 2009 a further subsidiary company, Speller Metcalfe London Limited was established and commenced trading from 10 November 2009.

These consolidated accounts therefore include the activities and results of Speller Metcalfe Malvern Limited and Speller Metcalfe Gloucester Limited for the 15 month period from 1 January 2009 and the results and activities of Speller Metcalfe London Limited for the period from 10 November 2009 to 31 March 2010.

#### **Performance of the Business in the period**

The Directors consider the results to be satisfactory given the tough economic conditions and have had to monitor and control costs closely in these uncertain times.

Gross profit as a % of sales increased slightly during the period compared with the previous year (as reported in the subsidiary undertaking accounts). Gross profit is felt to be a key performance indicator by the Directors as it allows them to monitor the performance of the company before considering staffing and overhead costs.

Staff continue to play an important role in the success of the group and their commitment and efforts have been invaluable in ensuring the group copes with the difficult trading conditions. The average number of employees during 2009/10 was 126 compared to 138 in 2008/09. In order to help retain staff and to aid their involvement with the company, Speller Metcalfe Limited ensures that all staff are appraised regularly and are involved in training programmes where needs are identified.

#### **Position at Year End**

The position of the group at the year end is favourable with Speller Metcalfe continuing to be a well known name in the areas in which it operates. Further prestigious contracts have been secured both locally and nationally.

#### **Principal Risks and Uncertainties**

The key risk facing the business is that new contracts will not be secured. However, despite the uncertainty in the overall economy and construction sector, there is currently no reason to believe this will be the case. Forward workload levels remain healthy as we continue to win contracts locally and nationally. The group has already secured over 80% of its anticipated workload for 2010/11 and the Directors currently expect steady growth in all of its subsidiaries in 2010/11 and beyond.

The group acknowledges that its activities have an impact on the environment and strives to minimise any harmful effect by adopting a responsible attitude to these issues. The company is ISO 14001 accredited. All relevant legislation and regulations are met, and where practicable exceeded.

The group also places great importance on ensuring that Health and Safety regulations are complied with in order to maintain the safety of its employees and other site visitors. Speller Metcalfe Malvern Limited and Speller Metcalfe Gloucester have achieved OHSAS 18001:2007, an occupational Health and Safety recognition for our investment in the workforce. It is intended for the other group companies to achieve OHSAS 18001 accreditation in 2010/11.

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**SPELLER METCALFE LIMITED**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 MARCH 2010**

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**RESULTS AND DIVIDENDS**

The group profit for the period, after taxation, amounted to £203,625

A dividend of £100,000 was paid during the period

**DIRECTORS**

The directors who served during the period were

S R Speller (appointed 4 November 2008)

A J Metcalfe (appointed 4 November 2008)

M E Clarke (appointed 4 November 2008)

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the period the group made charitable donations totalling £2,585

**AUDITOR**

The auditor, Horwath Clark Whitehill LLP, was appointed during the period and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 19 July 2010 and signed on its behalf



**M. E. Clarke**  
Secretary

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## **SPELLER METCALFE LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SPELLER METCALFE LIMITED**

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We have audited the group and parent company financial statements (the "financial statements") of Speller Metcalfe Limited for the period ended 31 March 2010, set out on pages 6 to 24. 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 shareholders, 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 shareholders those matters we are required to state to them in an Auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Statement of directors' responsibilities, 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 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 group's and the parent 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.

#### **UNQUALIFIED OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2010 and of the group's profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

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**SPELLER METCALFE LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SPELLER METCALFE LIMITED**

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**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Joe Hancox (Senior statutory auditor)

for and on behalf of

**HORWATH CLARK WHITEHILL LLP**

Statutory Auditor

Foley House  
123 Stourport Road  
Kidderminster  
Worcestershire  
DY11 7BW

19 July 2010



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**SPELLER METCALFE LIMITED**

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 MARCH 2010**

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|  | Note | 15 months<br>ended<br>31 March<br>2010<br>£ |
|--|------|---|
| <b>TURNOVER</b>                                      | 1,2  | <b>57,643,774</b>                           |
| Cost of sales  |      | <u>(53,066,091)</u>                         |
| <b>GROSS PROFIT</b>                                  |      | <b>4,577,683</b>                            |
| Administrative expenses                              |      | <u>(4,296,372)</u>                          |
| Other operating income                               | 3    | <u>25,391</u>                               |
| <b>OPERATING PROFIT</b>                              | 4    | <b>306,702</b>                              |
| Interest receivable                                  |      | 17,523                                      |
| Interest payable                                     | 8    | <u>(23,309)</u>                             |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |      | <b>300,916</b>                              |
| Tax on profit on ordinary activities                 | 9    | <u>(97,291)</u>                             |
| <b>PROFIT FOR THE FINANCIAL PERIOD</b>               | 17   | <u><u>203,625</u></u>                       |

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 other than those included in the Profit and loss account

The notes on pages 10 to 24 form part of these financial statements

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**SPELLER METCALFE LIMITED**  
**REGISTERED NUMBER: 6740881**

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**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2010**

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|  | Note | 2010<br>£         | £                     |
|--|------|-------------------|-----------------------|
| <b>FIXED ASSETS</b>  |      |                   |                       |
| Tangible fixed assets  | 10   |                   | 572,275               |
| <b>CURRENT ASSETS</b>  |      |                   |                       |
| Debtors  | 12   | 7,721,745         |                       |
| Cash at bank and in hand                                       |      | 3,375,441         |                       |
|  |      | <u>11,097,186</u> |                       |
| <b>CREDITORS</b> amounts falling due within one year           | 13   | (10,433,462)      |                       |
| <b>NET CURRENT ASSETS</b>                                      |      |                   | <u>663,724</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |                   | <u>1,235,999</u>      |
| <b>CREDITORS:</b> amounts falling due after more than one year | 14   |                   | (246,843)             |
| <b>NET ASSETS</b>  |      |                   | <u><u>989,156</u></u> |
| <b>CAPITAL AND RESERVES</b>                                    |      |                   |                       |
| Called up share capital  | 16   |                   | 100,000               |
| Profit and loss account  | 17   |                   | <u>889,156</u>        |
| <b>SHAREHOLDERS' FUNDS</b>                                     | 18   |                   | <u><u>989,156</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 July 2010

**S R Speller**  
Director



**A J Metcalfe**  
Director



The notes on pages 10 to 24 form part of these financial statements

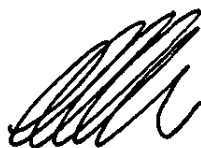
**SPELLER METCALFE LIMITED**  
**REGISTERED NUMBER: 6740881**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2010**

|   | Note | 2010<br>£      | £              |
|---|------|----------------|----------------|
| <b>FIXED ASSETS</b>   |      |                |                |
| Tangible fixed assets   | 10   |                | 57,838         |
| Fixed asset investments   | 11   |                | 100,003        |
|   |      |                | <u>157,841</u> |
| <b>CURRENT ASSETS</b>   |      |                |                |
| Debtors   | 12   | 329,451        |                |
| Cash at bank  |      | 413,934        |                |
|   |      | <u>743,385</u> |                |
| <b>CREDITORS</b> , amounts falling due within one year          | 13   | (118,511)      |                |
| <b>NET CURRENT ASSETS</b>                                       |      |                | <u>624,874</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                    |      |                | <u>782,715</u> |
| <b>CREDITORS</b> , amounts falling due after more than one year | 14   |                | (1,667)        |
| <b>NET ASSETS</b>   |      |                | <u>781,048</u> |
| <b>CAPITAL AND RESERVES</b>                                     |      |                |                |
| Called up share capital   | 16   |                | 100,000        |
| Profit and loss account   | 17   |                | 681,048        |
| <b>SHAREHOLDERS' FUNDS</b>                                      | 18   |                | <u>781,048</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 July 2010

S R Speller  
Director



A J. Metcalfe  
Director



The notes on pages 10 to 24 form part of these financial statements

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**SPELLER METCALFE LIMITED**

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**CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 MARCH 2010**

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|   | Note | 15 months<br>ended<br>31 March<br>2010<br>£ |
|---|------|---|
| Net cash flow from operating activities         | 21   | 683,389                                     |
| Returns on investments and servicing of finance | 22   | (5,786)                                     |
| Taxation  |      | (201,782)                                   |
| Capital expenditure and financial investment    | 22   | (79,246)                                    |
| Equity dividends paid                           |      | (100,000)                                   |
| <b>CASH INFLOW BEFORE FINANCING</b>             |      | <b>296,575</b>                              |
| Financing                                       | 22   | (195,698)                                   |
| <b>INCREASE IN CASH IN THE PERIOD</b>           |      | <b>100,877</b>                              |

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE PERIOD ENDED 31 MARCH 2010**

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|  | 15 months<br>ended<br>31 March<br>2010<br>£ |
|--|---|
| Increase in cash in the period                         | 100,877                                     |
| Cash outflow from decrease in debt and lease financing | 195,698                                     |
| <b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>    | <b>296,575</b>                              |
| Finance leases in subsidiary on group reconstruction   | (329,113)                                   |
| Cash in subsidiary on group reconstruction             | 3,274,564                                   |
| <b>MOVEMENT IN NET DEBT IN THE PERIOD</b>              | <b>3,242,026</b>                            |
| <b>NET FUNDS AT 31 MARCH 2010</b>                      | <b>3,242,026</b>                            |

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The notes on pages 10 to 24 form part of these financial statements

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## **SPELLER METCALFE LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2010**

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#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and on the basis that the company can continue as a going concern

The directors have assessed the company's ability to continue as a going concern. As a result of this assessment, no material uncertainties have been identified that cast doubt about the ability of the company to continue as a going concern

The company meets its day-to-day working capital requirements through retained group reserves

Accordingly, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis of accounting in preparing these financial statements

For the purpose of preparation of these financial statements the consolidation of the business carried on by Speller Metcalfe Malvern Limited has been accounted for as a group reconstruction, and in accordance with the principles of merger accounting on the basis that the shareholders of Speller Metcalfe Limited on the date of the transfer were the same as the shareholders of Speller Metcalfe Malvern Limited, and their rights, relative to each other, were unchanged

By applying the principles of merger accounting these financial statements include the results of Speller Metcalfe Malvern Limited from 1 January 2009. The assets and liabilities of that company at 31 December 2008 have been consolidated based on the book values of the assets and liabilities at that date

Comparative figures have not been presented in these accounts, since to do so would, in the opinion of the directors, detract rather than assist with the presentation of a true and fair view in these accounts

##### **1.2 Basis of consolidation**

The financial statements consolidate the accounts of Speller Metcalfe Limited and all of its subsidiary undertakings ('subsidiaries')

The results of subsidiaries acquired during the period are included from the effective date of acquisition

##### **1.3 Turnover**

Turnover of the company relates to management charges exclusive of Value Added Tax

Turnover of the group comprises the invoiced value of goods and services supplied by the group, as adjusted for unbilled recoverable amounts on contracts, exclusive of Value Added Tax and trade discounts

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## SPELLER METCALFE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2010

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#### 1 ACCOUNTING POLICIES (continued)

##### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                            |   |     |               |
|----------------------------|---|-----|---------------|
| Motor vehicles             | - | 25% | straight line |
| Plant, fixtures & fittings | - | 25% | straight line |

##### 1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease and assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge in each period.

##### 1.6 Operating leases

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

##### 1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

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**SPELLER METCALFE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2010**

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**1 ACCOUNTING POLICIES (continued)**

**1.9 Pensions**

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the period

**1.10 Grants received**

Grants received in respect of training are credited to the profit and loss account when the related expenditure is incurred

**2 TURNOVER**

The whole of the turnover is attributable to the principal activity of the group

All turnover arose within the United Kingdom

**3. OTHER OPERATING INCOME**

|               |  |
|---------------|--|
|               | <b>15 months<br/>ended<br/>31 March<br/>2010<br/>£</b> |
| Rental income | <b>25,391</b>  |

**4 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

|                                       |  |
|---------------------------------------|--|
|                                       | <b>15 months<br/>ended<br/>31 March<br/>2010<br/>£</b> |
| Depreciation of tangible fixed assets |  |
| - owned by the group                  | <b>246,178</b>   |
| - held under finance leases           | <b>206,616</b>   |
| Operating lease rentals               |  |
| - plant and machinery                 | <b>14,692</b>  |
| - other operating leases              | <b>156,130</b>   |
| Difference on foreign exchange        | <b>(249)</b>   |
| Hire of plant and equipment           | <b>766,055</b>   |

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**SPELLER METCALFE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2010**

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**5. AUDITOR'S REMUNERATION**

|   | 15 months<br>ended<br>31 March<br>2010<br>£ |
|---|---|
| Fees payable to the company's auditor for the audit of the company's annual accounts                          | 21,850                                      |
| Fees payable to the company's auditor and its associates in respect of<br>Other services relating to taxation | <u>5,000</u>                                |

**6 STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

|                       | 15 months<br>ended<br>31 March<br>2010<br>£ |
|-----------------------|---|
| Wages and salaries    | 5,421,050                                   |
| Social security costs | 498,104                                     |
| Other pension costs   | 178,243                                     |
|                       | <u>6,097,397</u>                            |

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

|                                 | 15 months<br>ended<br>31 March<br>2010<br>No. |
|---------------------------------|---|
| Management and administration   | 52  |
| Site operatives and supervisors | 77  |
|                                 | <u>129</u>                                    |



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**SPELLER METCALFE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2010**

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**7 DIRECTORS' REMUNERATION**

|   | <b>15 months<br/>ended<br/>31 March<br/>2010<br/>£</b> |
|---|--|
| Emoluments  | <b>364,117</b>   |
| Company pension contributions to money purchase pension schemes | <b>12,864</b>  |

During the period retirement benefits were accruing to 3 directors in respect of money purchase pension schemes

The highest paid director received remuneration of £142,868 for the 15 month period

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £5,000

**8. INTEREST PAYABLE**

|   | <b>15 months<br/>ended<br/>31 March<br/>2010<br/>£</b> |
|---|--|
| Other interest payable                        | <b>1,922</b>   |
| On finance leases and hire purchase contracts | <b>21,387</b>  |
|   | <b>23,309</b>  |

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**SPELLER METCALFE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2010**

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**9 TAXATION**

**15 months  
ended  
31 March  
2010  
£**

**Analysis of tax charge in the period**

**Current tax** (see note below)

UK corporation tax charge on profit for the period  
Adjustments in respect of prior periods

132,319  
(6,914)

**Total current tax**

125,405

**Deferred tax**

Origination of timing differences  
Adjustments in respect of prior periods

(33,043)  
4,929

**Total deferred tax** (see note 15)

(28,114)

**Tax on profit on ordinary activities**

97,291

**Factors affecting tax charge for the period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (28%) The differences are explained below

**15 months  
ended  
31 March  
2010  
£**

Profit on ordinary activities before tax

300,916

Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%

84,256

**Effects of:**

Expenses not deductible for tax purposes  
Differences between depreciation and capital allowances  
Marginal relief  
Other short term timing differences  
Other differences  
Adjustments to tax charge in respect of prior periods

23,642  
25,954  
(9,918)  
659  
7,726  
(6,914)

**Current tax charge for the period** (see note above)

125,405

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges

**SPELLER METCALFE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2010**

**10 TANGIBLE FIXED ASSETS**

| <b>Group</b>                       | <b>Motor vehicles</b> | <b>Plant, fixtures<br/>and fittings</b> | <b>Total</b>     |
|------------------------------------|-----------------------|---|------------------|
| <b>Cost</b>                        | <b>£</b>              | <b>£</b>                                | <b>£</b>         |
| Additions                          | 93,577                | 76,221                                  | 169,798          |
| Disposals                          | (368,046)             | (21,121)                                | (389,167)        |
| Acquired upon group reconstruction | 1,642,199             | 473,542                                 | 2,115,741        |
|                                    | <u>1,367,730</u>      | <u>528,642</u>                          | <u>1,896,372</u> |
| At 31 March 2010                   |                       |   |                  |
| <b>Depreciation</b>                |                       |   |                  |
| Charge for the period              | 342,158               | 110,747                                 | 452,905          |
| On disposals                       | (298,521)             | (20,589)                                | (319,110)        |
| Acquired upon group reconstruction | 923,807               | 266,495                                 | 1,190,302        |
|                                    | <u>967,444</u>        | <u>356,653</u>                          | <u>1,324,097</u> |
| At 31 March 2010                   |                       |   |                  |
| <b>Net book value</b>              |                       |   |                  |
| At 31 March 2010                   | <u>400,286</u>        | <u>171,989</u>                          | <u>572,275</u>   |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

| <b>Group</b>   | <b>2010<br/>£</b> |
|----------------|-------------------|
| Motor vehicles | <u>253,908</u>    |

**SPELLER METCALFE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2010**

**10 TANGIBLE FIXED ASSETS (continued)**

| Company               | Motor vehicles<br>£  | Plant, fixtures<br>and fittings<br>£ | Total<br>£           |
|-----------------------|----------------------|--------------------------------------|----------------------|
| <b>Cost</b>           |                      |                                      |                      |
| At 4 November 2008    | -                    | -                                    | -                    |
| Additions             | -                    | 32,663                               | 32,663               |
| Transfers intra group | 111,123              | 33,014                               | 144,137              |
| Disposals             | -                    | (290)                                | (290)                |
|                       | <u>111,123</u>       | <u>65,387</u>                        | <u>176,510</u>       |
| At 31 March 2010      | <u>111,123</u>       | <u>65,387</u>                        | <u>176,510</u>       |
| <b>Depreciation</b>   |                      |                                      |                      |
| At 4 November 2008    | -                    | -                                    | -                    |
| Charge for the period | 32,593               | 18,221                               | 50,814               |
| Transfers intra group | 56,507               | 11,641                               | 68,148               |
| On disposals          | -                    | (290)                                | (290)                |
|                       | <u>89,100</u>        | <u>29,572</u>                        | <u>118,672</u>       |
| At 31 March 2010      | <u>89,100</u>        | <u>29,572</u>                        | <u>118,672</u>       |
| <b>Net book value</b> |                      |                                      |                      |
| At 31 March 2010      | <u><u>22,023</u></u> | <u><u>35,815</u></u>                 | <u><u>57,838</u></u> |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

|                |                      |
|----------------|----------------------|
| Company        | 2010<br>£            |
| Motor vehicles | <u><u>16,342</u></u> |

**11. FIXED ASSET INVESTMENTS**

|                    |   |
|--------------------|---|
| Company            | Shares in<br>group<br>undertakings<br>£ |
| <b>Cost</b>        |   |
| At 4 November 2008 | -                                       |
| Additions          | 100,003                                 |
| At 31 March 2010   | <u><u>100,003</u></u>                   |

Details of the principal subsidiaries can be found under note number 27

**SPELLER METCALFE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2010**

**12. DEBTORS**

|                                    | <u>Group</u>     | <u>Company</u> |
|------------------------------------|------------------|----------------|
|                                    | 2010             | 2010           |
|                                    | £                | £              |
| Trade debtors                      | 3,324,122        | -              |
| Amounts recoverable on contracts   | 4,157,379        | -              |
| Amounts owed by group undertakings | -                | 275,450        |
| Other debtors                      | 112,957          | 13,833         |
| Prepayments and accrued income     | 80,170           | 27,408         |
| Deferred tax asset (see note 15)   | 47,117           | 12,760         |
|                                    | <u>7,721,745</u> | <u>329,451</u> |

**13. CREDITORS:  
Amounts falling due within one year**

|  | <u>Group</u>      | <u>Company</u> |
|--|-------------------|----------------|
|  | 2010              | 2010           |
|  | £                 | £              |
| Payments received on account                                     | 238,914           | -              |
| Net obligations under finance leases and hire purchase contracts | 103,104           | 7,666          |
| Trade creditors  | 9,261,771         | 15,817         |
| Corporation tax  | 61,410            | 19,688         |
| Social security and other taxes                                  | 545,381           | 65,143         |
| Other creditors  | 34,754            | 2,444          |
| Accruals and deferred income                                     | 188,128           | 7,753          |
|  | <u>10,433,462</u> | <u>118,511</u> |

**14. CREDITORS:  
Amounts falling due after more than one year**

|  | <u>Group</u>   | <u>Company</u> |
|--|----------------|----------------|
|  | 2010           | 2010           |
|  | £              | £              |
| Net obligations under finance leases and hire purchase contracts | 30,311         | 1,667          |
| Other creditors  | 216,532        | -              |
|  | <u>246,843</u> | <u>1,667</u>   |

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**SPELLER METCALFE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2010**

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**14. CREDITORS**

**Amounts falling due after more than one year (continued)**

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

|                            | <u>Group</u>  | <u>Company</u> |
|----------------------------|---------------|----------------|
|                            | 2010          | 2010           |
|                            | £             | £              |
| Between one and five years | 30,311        | 1,667          |
|                            | <u>30,311</u> | <u>1,667</u>   |

**15. DEFERRED TAXATION**

|                                    | <u>Group</u>  | <u>Company</u> |
|------------------------------------|---------------|----------------|
|                                    | 2010          | 2010           |
|                                    | £             | £              |
| Acquired upon group reconstruction | 19,003        | -              |
| Movement during the period         | 28,114        | 12,760         |
|                                    | <u>47,117</u> | <u>12,760</u>  |
| At end of period                   | <u>47,117</u> | <u>12,760</u>  |

The deferred taxation balance is made up as follows

|                               | <u>Group</u>  | <u>Company</u> |
|-------------------------------|---------------|----------------|
|                               | 2010          | 2010           |
|                               | £             | £              |
| Capital allowances            | 43,572        | 12,200         |
| Short term timing differences | 3,545         | 560            |
|                               | <u>47,117</u> | <u>12,760</u>  |

**16. SHARE CAPITAL**

|   | 2010           |
|---|----------------|
|   | £              |
| <b>Allotted, called up and fully paid</b> |                |
| 100,000 Ordinary shares of £1 each        | <u>100,000</u> |

1 ordinary share of £1 was issued at par on 4 November 2008. A further 99,999 ordinary shares of £1 each were issued on 1 January 2009.

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**SPELLER METCALFE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2010**

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**17 RESERVES**

|   | Profit and<br>loss account<br>£ |
|---|---------------------------------|
| <b>Group</b>                                |                                 |
| Profit for the period                       | 203,625                         |
| Dividends Equity capital                    | (100,000)                       |
| Reserves acquired upon group reconstruction | 785,531                         |
|   | <hr/>                           |
| At 31 March 2010                            | 889,156                         |
|   | <hr/>                           |
|   | Profit and<br>loss account<br>£ |
| <b>Company</b>                              |                                 |
| Profit for the period                       | 781,048                         |
| Dividends Equity capital                    | (100,000)                       |
|   | <hr/>                           |
| At 31 March 2010                            | 681,048                         |
|   | <hr/>                           |

**18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

|   |           |
|---|-----------|
|   | 2010<br>£ |
| <b>Group</b>                                |           |
| Opening shareholders' funds                 | -         |
| Profit for the period                       | 203,625   |
| Dividends (Note 19)                         | (100,000) |
| Shares issued during the period             | 100,000   |
| Reserves acquired upon group reconstruction | 785,531   |
|   | <hr/>     |
| Closing shareholders' funds                 | 989,156   |
|   | <hr/>     |
|   | 2010<br>£ |
| <b>Company</b>                              |           |
| Opening shareholders' funds                 | -         |
| Profit for the period                       | 781,048   |
| Dividends (Note 19)                         | (100,000) |
| Shares issued during the period             | 100,000   |
|   | <hr/>     |
| Closing shareholders' funds                 | 781,048   |
|   | <hr/>     |

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The profit for the period dealt with in the accounts of the company was £781,048

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**SPELLER METCALFE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2010**

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**19. DIVIDENDS**

|                                  | 15 months<br>ended<br>31 March<br>2010<br>£ |
|----------------------------------|---|
| Dividends paid on equity capital | 100,000                                     |

**20. GROUP RECONSTRUCTION**

**Subsidiary details at time of Group reconstruction**

|   | Subsidiary's<br>book value<br>£ | Fair value to<br>the group<br>£ |
|---|---------------------------------|---------------------------------|
| <b>Assets and liabilities at reconstruction</b>           |                                 |                                 |
| Tangible fixed assets                                     | 925,439                         | 925,439                         |
| Debtors   | 9,114,147                       | 9,114,147                       |
| Cash at bank  | 3,274,564                       | 3,274,564                       |
| Loans and finance leases                                  | (329,113)                       | (329,113)                       |
| Other creditors and provisions                            | (12,099,506)                    | (12,099,506)                    |
| Net assets acquired                                       | 885,531                         | 885,531                         |
| <b>Satisfied by</b>                                       |                                 |                                 |
| Consideration   |                                 |                                 |
| Share for share exchange                                  |                                 | 100,000                         |
| Reserves acquired upon group reconstruction (see note 17) |                                 | 785,531                         |

The summarised profit and loss account for Speller Metcalfe Malvern Limited for the period from 1 April 2008 to the date of the reconstruction was as follows

|                   |            |
|-------------------|------------|
| Turnover          | 47,575,742 |
| Operating profit  | 130,772    |
| Profit before tax | 204,920    |
| Taxation          | (137,787)  |
| Profit after tax  | 67,133     |



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**SPELLER METCALFE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2010**

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**21 NET CASH FLOW FROM OPERATING ACTIVITIES**

|  | 15 months<br>ended<br>31 March<br>2010<br>£ |
|--|---|
| Operating profit                                 | 306,702                                     |
| Depreciation of tangible fixed assets            | 452,905                                     |
| Profit on disposal of tangible fixed assets      | (20,495)                                    |
| Decrease in debtors                              | 1,439,519                                   |
| Decrease in creditors                            | (1,495,242)                                 |
| <b>Net cash inflow from operating activities</b> | <b>683,389</b>                              |

**22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

|  | 15 months<br>ended<br>31 March<br>2010<br>£ |
|--|---|
| <b>Returns on investments and servicing of finance</b>                       |   |
| Interest received  | 17,523                                      |
| Interest paid  | (1,922)                                     |
| Hire purchase interest   | (21,387)                                    |
| <b>Net cash outflow from returns on investments and servicing of finance</b> | <b>(5,786)</b>                              |

|   | 15 months<br>ended<br>31 March<br>2010<br>£ |
|---|---|
| <b>Capital expenditure and financial investment</b> |   |
| Purchase of tangible fixed assets                   | (169,798)                                   |
| Sale of tangible fixed assets                       | 90,552                                      |
| <b>Net cash outflow from capital expenditure</b>    | <b>(79,246)</b>                             |

|                             | 15 months<br>ended<br>31 March<br>2010<br>£ |
|-----------------------------|---|
| <b>Financing</b>            |   |
| Repayment of finance leases | (195,698)                                   |

**SPELLER METCALFE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2010**

**23. ANALYSIS OF CHANGES IN NET DEBT**

|   | 4 November<br>2008<br>£ | Cash flow<br>£ | Group<br>recon-<br>struction<br>£ | 31 March<br>2010<br>£ |
|---|-------------------------|----------------|-----------------------------------|-----------------------|
| Cash at bank and in hand                      | -                       | 100,877        | 3,274,564                         | 3,375,441             |
| <b>Debt</b>                                   |                         |                |                                   |                       |
| Debts due within one year                     | -                       | 195,698        | (298,802)                         | (103,104)             |
| Debts falling due after more than<br>one year | -                       | -              | (30,311)                          | (30,311)              |
| <b>Net funds</b>                              | <u>-</u>                | <u>296,575</u> | <u>2,945,451</u>                  | <u>3,242,026</u>      |

**24. CONTINGENT LIABILITIES**

The group's bankers have issued guarantees on behalf of Speller Metcalfe Malvern Limited against which £100,000 of cash is deposited in a Security Deposit Account held by the bank. At the year end guarantees issued amounted to £75,496.

Various other Sureties have also issued guarantees on behalf of Speller Metcalfe Malvern Limited. At the year end Surety guarantees issued amounted to £2,997,408.

**25. OPERATING LEASE COMMITMENTS**

At 31 March 2010 the Group had annual commitments under non-cancellable operating leases as follows:

| <b>Group</b>            | <b>Land and<br/>buildings<br/>2010<br/>£</b> | <b>Other<br/>2010<br/>£</b> |
|-------------------------|--|-----------------------------|
| <b>Expiry date.</b>     |  |                             |
| Between 2 and 5 years   | -  | 10,987                      |
| After more than 5 years | <u>105,000</u>                               | <u>-</u>                    |

At 31 March 2010 the Company had annual commitments under non-cancellable operating leases as follows:

| <b>Company</b>          | <b>Land and<br/>buildings<br/>2010<br/>£</b> | <b>Other<br/>2010<br/>£</b> |
|-------------------------|--|-----------------------------|
| <b>Expiry date</b>      |  |                             |
| After more than 5 years | <u>60,000</u>                                | <u>-</u>                    |

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## SPELLER METCALFE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2010

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#### 26. RELATED PARTY TRANSACTIONS

During the period the group carried out work under a building contract for S R Speller, a director, with a value of £1,753. The group also made a loan to S R Speller of £27,065. At the year end the group owed S R Speller £3,233.

A loan of £3,800 was made to S R Speller's son, an employee of the group. At the year end the group was owed £3,350.

During the period the group carried out work under a building contract for A J Metcalfe, a director, with a value of £10,727. The group also made a loan to A J Metcalfe of £9,615. At the year end the group owed A J Metcalfe £57.

During the period the group carried out work under a building contract for W Cave-Browne-Cave, a director, with a value of £413. At the year end the group was owed £nil.

During the period, the group leased two properties from Speller-Metcalfe Retirement Trust at a cost of £105,000 per annum plus service charges. The total charge for the period was £135,318.

#### 27. PRINCIPAL SUBSIDIARIES

| Company name                        | Percentage<br>Shareholding | Description          |
|-------------------------------------|----------------------------|----------------------|
| Speller Metcalfe Malvern Limited    | 100                        | Building contractors |
| Speller Metcalfe Gloucester Limited | 100                        | Building contractors |
| Speller Metcalfe London Limited     | 100                        | Building contractors |