

# Met-Clad Contracts Limited

Registered number: 03185456

## Directors' report and financial statements

For the year ended 30 November 2014

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# **MET-CLAD CONTRACTS LIMITED**

## **COMPANY INFORMATION**

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<b>DIRECTORS</b>	M S Village A Pickering P Cosford S J A Collinson C L Oldham (appointed 1 April 2015)
<b>COMPANY SECRETARY</b>	C L Oldham
<b>REGISTERED NUMBER</b>	03185456
<b>REGISTERED OFFICE</b>	Hazelford Way Newstead Village Nottingham NG15 0DQ
<b>BUSINESS ADDRESS</b>	Hazelford Way Newstead Village Nottingham NG15.0DQ
<b>INDEPENDENT AUDITORS</b>	Mazars LLP Chartered Accountants & Statutory Auditor 6 Dominus Way Meridian Business Park Leicester LE19 1RP
<b>BANKERS</b>	National Westminster Bank plc 18 South Parade Nottingham NG1 2JX

# **MET-CLAD CONTRACTS LIMITED**

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# **MET-CLAD CONTRACTS LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2014**

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### **Principal activity**

The principal activity of the company during the year was that of a roofing and cladding specialist.

### **Fair review of the business**

During the year turnover increased by 4.1% to £15,060,467. Gross margin has also improved from 18.6% to 20.5% and as a result, an operating profit of £368,282 was delivered, compared to £324,428 in 2013. These results are in line with the directors' expectations.

The company's marketplace remains challenging due to the continued uncertainty in the general macro-economic climate. However, the company has a long established customer base and strong reputation for high service levels, accordingly the directors are optimistic about future prospects.

### **Financial risk management objectives and policies**

The company makes use of financial instruments principally through the operation of its bank accounts, including an overdraft facility and hire purchase agreements and is therefore exposed to interest rate, cash flow and liquidity risk. The directors' objectives are to retain sufficient liquid funds to enable the company to meet its day to day obligations as they fall due and to maximise returns on surplus funds.

This report was approved by the board on 9 April 2015 and signed on its behalf.



M S Village  
Director

# **MET-CLAD CONTRACTS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2014**

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The directors present their report and the financial statements for the year ended 30 November 2014.

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **RESULTS**

The profit for the year, after taxation, amounted to £260,907 (2013 - £235,850).

### **DIRECTORS**

The directors who served during the year were:

M S Village  
A Pickering  
P Cosford  
S J A Collinson

### **DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

# **MET-CLAD CONTRACTS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2014**

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### **AUDITORS**

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

This report was approved by the board on 9 April 2015 and signed on its behalf.



M S Village  
**Director**

# **MET-CLAD CONTRACTS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MET-CLAD CONTRACTS LIMITED**

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We have audited the financial statements of Met-Clad Contracts Limited for the year ended 30 November 2014 which comprise the profit and loss account, the balance sheet 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).

### **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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. 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.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **OPINION ON THE FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON THE 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.

# MET-CLAD CONTRACTS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MET-CLAD CONTRACTS 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, 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.



Christopher Darlington (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Dominus Way  
Meridian Business Park  
Leicester  
LE19 1RP

9 April 2015



# MET-CLAD CONTRACTS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2014

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	Note	2014 £	2013 £
<b>TURNOVER</b>	<b>1,2</b>	15,060,467	14,461,090
Cost of sales		<u>(11,965,890)</u>	<u>(11,772,424)</u>
<b>GROSS PROFIT</b>		3,094,577	2,688,666
Administrative expenses		<u>(2,726,315)</u>	<u>(2,364,238)</u>
<b>OPERATING PROFIT</b>	<b>3</b>	368,262	324,428
Interest receivable and similar income		23	37
Interest payable and similar charges	<b>6</b>	<u>(38,692)</u>	<u>(19,502)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		329,593	304,963
Tax on profit on ordinary activities	<b>7</b>	<u>(68,686)</u>	<u>(69,113)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>14</b>	<u><u>260,907</u></u>	<u><u>235,850</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

# MET-CLAD CONTRACTS LIMITED

Registered number: 03185456

## BALANCE SHEET AS AT 30 NOVEMBER 2014

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	8		421,217		402,649
<b>CURRENT ASSETS</b>					
Debtors	9	7,524,327		7,860,625	
Cash at bank		71,204		150,589	
		<u>7,595,531</u>		<u>8,011,214</u>	
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(3,800,495)</u>		<u>(4,323,906)</u>	
<b>NET CURRENT ASSETS</b>			3,795,036		3,687,308
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,216,253</u>		<u>4,089,957</u>
<b>CREDITORS: amounts falling due after more than one year</b>	11		(132,807)		(126,389)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	12		(4,000)		(19,310)
<b>NET ASSETS</b>			<u>4,079,446</u>		<u>3,944,258</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		1,000		1,000
Profit and loss account	14		4,078,446		3,943,258
<b>SHAREHOLDERS' FUNDS</b>	15		<u>4,079,446</u>		<u>3,944,258</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 April 2015.



M S Village  
Director

The notes on pages 8 to 16 form part of these financial statements.

# MET-CLAD CONTRACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2014

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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 and in accordance with applicable accounting standards.

#### 1.2 Cash flow

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

#### 1.3 Turnover

Turnover, which is net of value added tax and trade discounts, represents the value of contract work done in the year.

#### 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:

Leasehold property	-	2% straight line
Plant & machinery	-	15% reducing balance
Motor vehicles	-	33% reducing balance

#### 1.5 Hire purchase

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets. Assets acquired by hire purchase are depreciated over their useful lives. 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 on the net obligation outstanding 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.

# **MET-CLAD CONTRACTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2014**

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### **1. ACCOUNTING POLICIES (continued)**

#### **1.8 Long-term contracts**

Long-term contracts are determined and classified according to the provisions of Statement of Standard Accounting Practice 9.

Revenue is recognised according to the stage of completion of the contract assessed by percentage completion and value of work done, less provision for contingencies and losses.

Profit on long-term contracts is taken as the work progresses if the outcome of the contract can be assessed with reasonable certainty.

Estimates of total contract costs and revenues are reviewed periodically and the cumulative effects of changes are recognised in the period in which they are identified. All known or anticipated losses are provided for in full as soon as they are foreseen.

Revenues recognised in excess of amounts billed are classified as amounts recoverable on contracts and included in debtors. Net costs incurred in excess of amounts transferred to cost of sales are classified as long-term contract balances. Amounts billed in excess of revenues recognised to date are deducted from related long-term contract balances with any residual balance being classified as payments on account and included in creditors. Long-term contract balances are stated at contract cost incurred less amounts transferred to cost of sales, foreseeable losses, and payments on account.

#### **1.9 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### **1.10 Financial instruments**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, financial liabilities, or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### **2. TURNOVER**

The whole of the turnover is attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

# MET-CLAD CONTRACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2014

### 3. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	10,856	8,917
- held under hire purchase	131,083	91,336
Auditor's remuneration	10,500	10,500
Auditor's remuneration - non-audit	8,500	12,775
Operating lease rentals:		
- plant and machinery	12,144	7,559
Loss on sale of tangible assets	2,755	4,040
	<u>2,672,596</u>	<u>2,118,032</u>

### 4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	2,397,168	1,897,012
Social security costs	247,041	200,745
Other pension costs	28,387	20,275
	<u>2,672,596</u>	<u>2,118,032</u>

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

	2014 No.	2013 No.
Production	24	23
Office and management	39	31
	<u>63</u>	<u>54</u>

### 5. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	266,833	247,447
Contributions to defined contribution pension schemes	19,425	15,875

During the year retirement benefits were accruing to 4 directors (2013 - 4) in respect of defined contribution pension schemes.

# MET-CLAD CONTRACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2014

The highest paid director received remuneration of £133,333 (2013 - £90,491).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,750 (2013 - £4,200).

### 6. INTEREST PAYABLE

	2014 £	2013 £
On bank overdraft	11,400	5,302
On hire purchase contracts	27,292	14,200
	<u>38,692</u>	<u>19,502</u>

### 7. TAXATION

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	84,000	57,303
Adjustments in respect of prior periods	(4)	-
<b>Total current tax</b>	<u>83,996</u>	<u>57,303</u>
<b>Deferred tax</b> (note 12)		
Origination and reversal of timing differences	(15,310)	11,810
<b>Tax on profit on ordinary activities</b>	<u>68,686</u>	<u>69,113</u>

# MET-CLAD CONTRACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2014

### 7. TAXATION (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - lower than) the standard rate of corporation tax in the UK of 21% (2013 - 23%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	329,593	304,963
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2013 - 23%)	69,215	70,141
<b>Effects of:</b>		
Expenses not deductible for tax purposes	73	1,922
Difference between capital allowances and depreciation	13,678	(11,577)
Adjustments to tax charge in respect of prior periods	(4)	-
Other differences	2,510	-
Marginal relief	(1,476)	(3,183)
<b>Current tax charge for the year (see note above)</b>	<b>83,996</b>	<b>57,303</b>

### 8. TANGIBLE FIXED ASSETS

	Leasehold property £	Plant & machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 December 2013	74,567	142,097	597,214	813,878
Additions	-	32,782	146,763	179,545
Disposals	-	-	(71,944)	(71,944)
At 30 November 2014	74,567	174,879	672,033	921,479
<b>Depreciation</b>				
At 1 December 2013	6,740	128,107	276,382	411,229
Charge for the year	1,491	3,753	136,695	141,939
On disposals	-	-	(52,906)	(52,906)
At 30 November 2014	8,231	131,860	360,171	500,262
<b>Net book value</b>				
At 30 November 2014	66,336	43,019	311,862	421,217
At 30 November 2013	67,827	13,990	320,832	402,649

# MET-CLAD CONTRACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2014

### 8. TANGIBLE FIXED ASSETS (continued)

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

	2014 £	2013 £
Plant and machinery	25,702	-
Motor vehicles	305,909	294,068
	<u>331,611</u>	<u>294,068</u>

### 9. DEBTORS

	2014 £	2013 £
Trade debtors	2,019,836	2,181,519
Amounts owed by group undertakings	3,774,182	3,697,591
Other debtors	-	745
Prepayments and accrued income	223,381	201,726
Amounts recoverable on long term contracts	1,506,928	1,779,044
	<u>7,524,327</u>	<u>7,860,625</u>

Included within trade debtors are retentions due after more than one year of £130,043 (2013 - £65,415).

### 10. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Bank overdraft	196,468	272,458
Net obligations under hire purchase contracts	120,232	105,895
Trade creditors	2,667,428	3,263,822
Amounts owed to group undertakings	4,154	14,154
Corporation tax	84,000	57,307
Other taxation and social security	452,994	343,082
Other creditors	19,433	17,490
Accruals and deferred income	255,786	249,698
	<u>3,800,495</u>	<u>4,323,906</u>

The bank overdraft is secured by a legal charge over the freehold property of the group, a fixed and floating charge over all assets of the company, and a cross guarantee with certain group undertakings.

Obligations under hire purchase agreements are secured on the relevant assets.



# MET-CLAD CONTRACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2014

### 11. CREDITORS:

Amounts falling due after more than one year

	2014 £	2013 £
Net obligations under hire purchase contracts	132,807	126,389

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

	2014 £	2013 £
Between one and five years	132,807	126,389

Obligations under hire purchase contracts are secured on the relevant assets.

### 12. DEFERRED TAXATION

	2014 £	2013 £
At beginning of year	19,310	7,500
Charge for year	(15,310)	11,810
At end of year	4,000	19,310

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	4,000	19,310

### 13. SHARE CAPITAL

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares shares of £1 each	1,000	1,000

### 14. RESERVES

	Profit and loss account £
At 1 December 2013	3,943,258
Profit for the financial year	260,907
Equity dividends paid	(125,719)
At 30 November 2014	4,078,446

# MET-CLAD CONTRACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2014

### 15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	3,944,258	3,853,230
Profit for the financial year	260,907	235,850
Dividends (note 16)	(125,719)	(144,822)
Closing shareholders' funds	<u>4,079,446</u>	<u>3,944,258</u>

### 16. DIVIDENDS

	2014 £	2013 £
Dividends paid on equity capital	<u>125,719</u>	<u>144,822</u>

### 17. CONTINGENT LIABILITIES

The company is party to a cross guarantee relating to the Met-Clad Contracts Group Limited total bank borrowing.

The company also has contingent liabilities in respect of performance bonds on certain contracts for £366,000 (2013 - £223,000).

### 18. PENSION COMMITMENTS

The company operates a defined contributions pension 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 £28,387 (2013 - £20,275).

### 19. OPERATING LEASE COMMITMENTS

At 30 November 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<b>Expiry date:</b>		
Within 1 year	5,493	1,146
Between 2 and 5 years	4,917	28,618
	<u>10,410</u>	<u>29,764</u>

# **MET-CLAD CONTRACTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2014**

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### **20. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption provided by Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with other group entities whose voting rights are 100% controlled by the group.

### **21. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The smallest and largest group in which these accounts are consolidated is the group headed by Met-Clad Contracts Group Limited, which is registered in England & Wales. Copies of the consolidated financial statements may be obtained from the Registrar of Companies, Companies House, Cardiff.

The company is controlled by M S Village by virtue of his controlling interest in the issued equity share capital of the immediate and ultimate parent company Met-Clad Contracts Group Limited.