

**Metaldeck Limited**

**Directors' Report and financial  
statements**

Registered number 01752918  
31 December 2008



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## Directors' Report

The Directors present their Directors' Report and audited financial statements for the year ended 31 December 2008.

### Principal activities

The Company's principal activity is that of the design and installation of composite deck and concrete flooring systems.

### Enhanced Business Review

#### Principal risks and uncertainties

The Directors remain confident that despite the continuing challenging conditions within the Construction sector expected throughout 2009, the Company remains on course to achieve its target.

The Company's proven track record on Education and Healthcare Schemes combined with a strong forward order book in this sector will provide a core volume throughout 2009.

The falling cost of steel in World and European markets is being reflected by the Company's principal suppliers to ensure that the steel decking products and ancillaries remain competitive against alternative flooring solutions and whilst this will impact on turnover levels in 2009 the Business expects another profitable year.

The Directors continue to ensure that the businesses overheads are balanced against current and future turnover levels and are confident that when construction outputs begin to rise the Company will be well placed.

#### Performance and development during the year

The Directors are pleased with the trading results in 2008 which, despite seeing an 18.7% fall in turnover, primarily due to the cancellation of several secured residential projects following the withdrawal of Bank funding from the Developer, did provide an increase in gross profit margin to 20.7% from 18.6% in 2007. This resulted in an improvement in PBIT margin increasing to 7% from 6.4%.

Cash balances remain strong and unchanged.

The Company's Concrete Division performed strongly and was Highly Commended at the Specialist Subcontractor Awards hosted by Construction News in March 2009.

#### Key performance indicators

The following key performance indicators are closely monitored and controlled, including detailed monthly review by the Directors:

- Gross profit margin by contract
- Recoverability of work in progress
- Bank covenant compliance

#### Results and dividends

The profit for the year, after taxation, amounted to £571,558 (2007: £627,371). Particulars of dividends paid are detailed in the notes to the accounts.

## Directors' Report *(continued)*

### Directors

The Directors who held office during the year were as follows:

Mr A G Hewitt

Mr J R Dougall (resigned 13 March 2009)

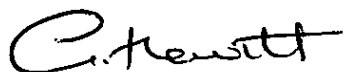
### Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

In accordance with Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



Mr AG Hewitt  
*Director*

Prestwood Place  
East Pimbo  
Skelmersdale  
Lancashire  
WN8 9QE

14/7/ 2009

## **Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



## KPMG LLP

Edward VII Quay  
Navigation Way  
Preston  
PR2 2YF  
United Kingdom

### **Independent auditor's report to the members of Metaldeck Limited**

We have audited the financial statements of Metaldeck Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Directors and auditor**

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

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

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

## Independent auditor's report to the members of Metaldeck Limited *(continued)*

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

25/7/ 2009

**Profit and Loss Account**  
*for the year ended 31 December 2008*

	<i>Note</i>	2008 £	2007 £
<b>Turnover</b>	1	10,960,999	13,491,400
Cost of sales		(8,693,364)	(10,977,933)
		<hr/>	<hr/>
<b>Gross profit</b>		2,267,635	2,513,467
Administrative expenses		(1,504,395)	(1,645,402)
		<hr/>	<hr/>
<b>Operating profit</b>	2	763,240	868,065
Other interest receivable and similar income	5	20,041	9,541
Interest payable and similar charges	6	(28,532)	(13,216)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		754,749	864,390
Tax on profit on ordinary activities	7	(183,191)	(237,019)
		<hr/>	<hr/>
<b>Profit for the financial year</b>	17	571,558	627,371
		<hr/> <hr/>	<hr/> <hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The Company has no recognised gains or losses during the current or preceding year other than those recognised in the profit and loss account above.

**Balance Sheet**  
 at 31 December 2008

	Note	2008		2007	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		501,024		595,085
			<u>501,024</u>		<u>595,085</u>
<b>Current assets</b>					
Stocks	10	123,327		44,763	
Debtors	11	1,855,763		2,769,662	
Cash at bank and in hand		684,936		684,569	
		<u>2,664,026</u>		<u>3,498,994</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,608,711)</u>		<u>(2,620,746)</u>	
<b>Net current assets</b>			<u>1,055,315</u>		<u>878,248</u>
<b>Total assets less current liabilities</b>			<u>1,556,339</u>		<u>1,473,333</u>
<b>Creditors: amounts falling due after more than one year</b>	13		<u>(6,552)</u>		<u>(20,955)</u>
			<u>1,549,787</u>		<u>1,452,378</u>
<b>Provisions for liabilities</b>					
Deferred taxation	14		-		(17,547)
Government grants	15		(75,422)		(83,674)
			<u>1,474,365</u>		<u>1,351,157</u>
<b>Net assets</b>			<u>1,474,365</u>		<u>1,351,157</u>
<b>Capital and reserves</b>					
Called up equity share capital	16		100		100
Profit and loss account	17		1,474,265		1,351,057
			<u>1,474,365</u>		<u>1,351,157</u>
<b>Equity shareholders' funds</b>	17		<u>1,474,365</u>		<u>1,351,157</u>

These financial statements were approved by the Board of Directors on 14/7/2009 and were signed on its behalf by:



**Mr AG Hewitt**  
 Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

#### ***Basis of preparation***

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 1.

The current economic conditions create uncertainty particularly over the level of demand for the Company's products and the cost of the Company's raw materials, predominantly steel.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility. As a consequence, the Directors believe that the Group and Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost convention and within the requirements of the Companies Act 1985.

#### ***Cash flow statement***

Under Financial Reporting Standard ('FRS') 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

#### ***Related party transactions***

The Company has taken advantage of the exemption in FRS 8 from the requirement to disclose transactions with group companies on the grounds that consolidated accounts are prepared by the ultimate parent company.

#### ***Turnover***

Turnover represents amounts invoiced during the year, exclusive of value added tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

#### ***Tangible fixed assets and depreciation***

All fixed assets are stated at cost less depreciation. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset, as follows:

Leasehold property	-	10% reducing balance
Safety nets	-	33.3% reducing balance
Motor vehicles	-	25% reducing balance
Plant & Machinery/Equipment	-	20% on cost/10% on cost

#### ***Stocks***

Stocks are valued at the lower of cost and net realisable value.

#### ***Work in progress and long-term contracts***

Short-term contracts and long-term contracts in the early stages, the outcome of which cannot be reasonably assessed, are based on cost less foreseeable losses. Long-term contracts, sufficiently advanced for the outcome to be assessed with reasonable certainty are based on cost plus ascertainable profit less foreseeable losses. Contracts awaiting final certificates are based on cost plus attributable profit less foreseeable losses.

**Notes (continued)**

**1 Accounting policies (continued)**

**Leases**

Where the Company enters into a lease which entails substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is the shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss accounts, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

**Pension costs**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company being operated through an insurance company. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

**Dividends on shares presented within shareholders' funds**

Dividends unpaid at the balance sheet date are only recognised as a liability to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

**Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred tax'.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as 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.

**Deferred government grants**

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

**2 Operating profit**

Operating profit is stated after charging/(crediting):	2008	2007
	£	£
Amortisation of government grants	(8,252)	(8,576)
Depreciation and other amounts written off tangible fixed assets:		
Owned	41,210	29,022
Leased	55,646	71,739
Loss on disposal of fixed assets	9,289	1,515
Rentals payable under operating leases	52,281	36,484
Auditor's remuneration:		
Audit of these financial statements	6,500	5,880
Tax compliance	2,100	2,000
Other services	-	25,000
	<hr/> <hr/>	<hr/> <hr/>

**Notes (continued)**

**3 Directors' emoluments**

The Directors' aggregate emoluments in respect of qualifying services were:

	2008	2007
	£	£
<b>Directors' emoluments:</b>		
Remuneration as executives	172,220	270,636
Pension contributions	46,898	27,532
	219,118	298,168
	219,118	298,168

The emoluments, excluding pension contributions, of the highest paid director were £109,285 (2007: £91,162). Pension contributions in respect of the highest paid director were £13,097 (2007: £27,532).

Retirement benefits were accruing to the following number of directors under:

	2008	2007
	No	No
Defined contribution scheme	2	1
	2	1
	2	1

**4 Staff numbers and costs**

The average number of persons employed by the Group (including the Directors) during the year, analysed by category, was as follows:

	Number of employees	
	2008	2007
	£	£
Number of production staff	29	32
Number of administrative staff	18	18
Number of management staff	2	2
	49	52
	49	52

The aggregate payroll costs of these persons were as follows:

	2008	2007
	£	£
Wages and salaries	1,466,424	1,586,740
Social security costs	157,221	159,858
Pension contributions	46,898	27,532
	1,670,543	1,774,130
	1,670,543	1,774,130

**Notes (continued)**

**5 Other interest receivable and similar income**

	2008	2007
	£	£
Bank interest	20,041	9,541
	<u>20,041</u>	<u>9,541</u>

**6 Interest payable and similar charges**

	2008	2007
	£	£
Finance charges payable in respect of finance leases and similar hire purchase contracts	28,532	13,216
	<u>28,532</u>	<u>13,216</u>

**7 Taxation on ordinary activities**

	2008	2007
	£	£
<b>a) Analysis of charge in the year</b>		
<i>Current tax:</i>		
In respect of the year:		
UK Corporation tax at 28.5% (2007: 30%) on the profit for the period on ordinary activities	206,077	258,576
Total current tax	<u>206,077</u>	<u>258,576</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 14)	(22,886)	(21,557)
Tax on profit on ordinary activities	<u>183,191</u>	<u>237,019</u>
<b>b) Factors affecting current tax charge</b>		

The tax assessed on the profit on ordinary activities for the year is lower (2007: lower) than the standard rate of corporation tax in the UK of 28.5% (2007: 30%).

	2008	2007
	£	£
Profit on ordinary activities before taxation	754,749	864,390
	<u>754,749</u>	<u>864,390</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	215,103	259,317
<i>Effects of:</i>		
Depreciation in excess of capital allowances	7,871	9,098
Disallowable expenditure	9,940	7,555
Group relief received, not paid for	(25,952)	(17,394)
Small companies relief	(487)	-
Non taxable income	(398)	-
Total current tax (note 7(a))	<u>206,077</u>	<u>258,576</u>

## Notes (continued)

### 8 Dividends

	2008	2007
	£	£
Paid		
Equity dividends on ordinary shares	448,350	165,283
	<u>          </u>	<u>          </u>

### 9 Tangible fixed assets

	Leasehold property	Safety Nets	Motor vehicles	Equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2008	421,256	30,968	175,224	222,936	850,384
Transfer	10,252	-	-	(10,252)	-
Additions	-	-	34,288	4,718	39,006
Disposals	(7,325)	(4,061)	(51,906)	(498)	(63,790)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2008	424,183	26,907	157,606	216,904	825,600
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>					
At 1 January 2008	84,077	11,311	81,298	78,613	255,299
Transfer	5,127	-	-	(5,127)	-
Charged for the year	32,562	9,549	27,096	27,649	96,856
On disposals	-	(2,912)	(24,555)	(112)	(27,579)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2008	121,766	17,948	83,839	101,023	324,576
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value</b>					
At 31 December 2008	302,417	8,959	73,767	115,881	501,024
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2007	337,179	19,657	93,926	144,323	595,085
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### **Hire Purchase agreements**

Included within the net book value of £501,024 is £53,372 (2007: £79,286) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £23,084 (2007: £34,964).

### 10 Stocks

	2008	2007
	£	£
Raw materials	123,327	44,763
	<u>          </u>	<u>          </u>

**Notes (continued)**

**11 Debtors**

	2008	2007
	£	£
Amounts recoverable on contracts	1,616,730	2,550,099
Amounts due from parent company	69,943	67,963
Directors current accounts	6,129	80,000
Other debtors	12,072	8,493
Prepayments and accrued income	150,889	63,107
	<b>1,855,763</b>	<b>2,769,662</b>

Included within other debtors is a deferred tax asset of £5,339 (2007: liability of £17,547).

**12 Creditors: amounts falling due within one year**

	2008	2007
	£	£
Trade creditors	1,136,553	1,709,693
Corporation tax	206,167	258,665
Other taxation and social security	143,039	151,077
Hire purchase agreements	15,030	29,061
Other creditors	14,974	15,452
Accruals and deferred income	92,948	456,798
	<b>1,608,711</b>	<b>2,620,746</b>

**13 Creditors: amounts falling due after more than one year**

	2008	2007
	£	£
Hire purchase agreements	6,552	20,955
	<b>6,552</b>	<b>20,955</b>

**14 Deferred taxation**

The movement in the deferred taxation provision during the year was:

	2008	2007
	£	£
Provision brought forward	17,547	39,104
Profit and loss account movement arising during the year	(22,886)	(21,557)
(Asset)/provision carried forward	<b>(5,339)</b>	<b>17,547</b>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2008	2007
	£	£
Excess of taxation allowances over depreciation on fixed assets	-	17,547
	<b>-</b>	<b>17,547</b>

**Notes (continued)**

**15 Government grants**

	<b>2008</b>
	<b>£</b>
<b>Received and receivable</b>	
At 1 January 2007	100,000
Receivable during year	-
<b>At 31 December 2008</b>	<b>100,000</b>
<b>Amortisation</b>	
At 1 January 2007	16,326
Credit to profit and loss account	8,252
<b>At 31 December 2008</b>	<b>24,578</b>
<b>Net book value</b>	
<b>At 31 December 2008</b>	<b>75,422</b>
At 31 December 2007	83,674

**16 Called up share capital**

	2008	2007	2008	2007
	No	No	£	£
<b>Authorised</b>				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £1 each	100	100	100	100

**17 Reconciliation of movement in equity shareholders' funds**

	Share capital	Profit and loss account	Equity shareholders funds
	£	£	£
As at 1 January 2008	100	1,351,057	1,351,157
Profit for the financial year	-	571,558	571,558
Dividends paid	-	(448,350)	(448,350)
<b>As at 31 December 2008</b>	<b>100</b>	<b>1,474,265</b>	<b>1,474,365</b>

**18 Pensions**

The Company operates a defined contribution pension scheme.

The pension charge for the staff (including directors) pension scheme for the year represents contributions payable by the Company to the fund of £46,898 (2007: £27,532).

## Notes (continued)

### 19 Commitments under hire purchase agreements

The maturity of obligations under finance leases and hire purchase contracts is as follows :

	2008 £	2007 £
Within one year	15,030	29,061
In the second to fifth years	6,552	20,955
	21,582	50,016

### 20 Operating leases

Annual commitments under non-cancellable operating leases are as follows:

	2008		2007	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	-	-	-
In the second to fifth years inclusive	60,000	-	60,000	-
Over five years	-	-	-	-
	60,000	-	60,000	-

### 21 Related party transactions

During the year, the Company sold goods, in the normal course of business, to The AA Group Limited, a company in which Mr AG Hewitt is a director, totalling £1,382,408 (2007: £1,522,081). In addition, Metaldeck Limited made purchases from The AA Group Limited of £197,271 (2007: £303,203). At the balance sheet date the net amount outstanding in respect of sales, purchases and recharges was £96,769 (2007: £144,149) owed by Metaldeck Limited to The AA Group Limited.

During the year, the Company purchased a motor vehicle for use in the business from Mr AG Hewitt, a director. The purchase price was £13,500. No amounts are outstanding in respect of this purchase at the balance sheet date.

Metaldeck Limited has traded during the period with Raised Floor Solutions Limited, a company in which Mr AG Hewitt was a director during part of the year. Sales totalling £28,896 (2007: £25,302) were made in the normal course of business. Purchases on normal commercial terms amounted to £nil (2007: £31). At the balance sheet date the amount owing by Raised Floor Solutions Limited to Metaldeck limited was £2,214 (2007: £3,904).

### 22 Control

The Company is a wholly owned subsidiary undertaking of Moorco Two Limited which is the immediate parent company, registered in the United Kingdom. The largest group of undertakings for which group accounts have been drawn up is that headed by Metaldeck Holdings Limited, the ultimate parent undertaking.

The consolidated financial statements of the group are available to the public and may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.