

REGISTRAR'S
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Registration number 2027199

Metaskil plc

Directors' report and financial statements

for the year ended 31 March 2008



Metaskil plc

Company information

Directors	Wilfred Christopher Eaton Donald Richard Hornblow Ian Faulkner	appointed 1 July 2007
Secretary	Donald Richard Hornblow	
Company number	2027199	
Registered office	7 Fortuna Court Calleva Park Aldermaston Reading Berks RG7 8UB	
Auditors	HW 30 Camp Road Farnborough Hants GU14 6EW	
Business address	7 Fortuna Court Calleva Park Aldermaston Reading Berks RG7 8UB	
Bankers	Lloyds TSB Bank plc 1-2 Market Place Reading Berks RG1 2EQ	

Metaskil plc

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Metaskil plc

Directors' report for the year ended 31 March 2008

The directors present their report and the financial statements for the year ended 31 March 2008

Principal activity and review of the business

The principal activity of the company continued to be the provision of a range of management consulting and staffing services. The directors consider that turnover, gross profit and maintenance of available cash are the key performance indicators of the business. During the year the company achieved revenue of £5,445,366 with a profit of £7,558. The team achieved a record final quarter and the company enters 2008-09 with a strong forward order book. Margins improved during the period and this contributed to the company's sound cash position.

Significant new Project Management Services contracts were won with Communities and Local Management, HM Government Offices for Regions, the Police, the Rail Industry, Royal Mail Group, Motorola, Euphony Communications and Yell.

Ian Faulkner was appointed Managing Director in October 2007 and a smooth transition has been achieved. Ian is providing energetic leadership to the company. Although the economic outlook in the UK is uncertain, the directors remain confident that the strategy for the company is sound and expect growth to continue in the year ahead. For further information please visit the company's web site at www.Metaskil.com

Results and dividends

The profit for the year, after taxation, amounted to £907. Particulars of dividends paid and proposed are detailed in the notes to the financial statements.

The results for the year are set out on page 5.

Financial risk management objectives and policies

- a) the financial risk management objectives of the company for the year have been achieved and
- b) any additional information other than is already contained within the accounts with regard to the company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not considered material for the assessment of the assets, liabilities, financial position and profit of the company.

Policy on the payment of creditors

It is the company's policy to settle suppliers' accounts in accordance with their individual terms of business. At 31 March 2008 the company had £104,925 of trade creditors (creditor days 8.4).

Directors

The directors who served during the year are as stated below.

Wilfred Christopher Eaton

Donald Richard Hornblow

Ian Faulkner appointed 1 July 2007

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

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**Directors' report
for the year ended 31 March 2008**

continued

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss for that year. In preparing those 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,
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

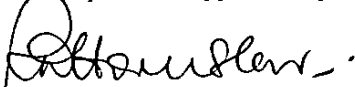
Statement of disclosure to the auditors

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that HW be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 28 October 2008 and signed on its behalf by



Donald Richard Hornblow
Secretary

Metaskil plc

Independent auditors' report to the shareholders of Metaskil plc

We have audited the financial statements of Metaskil plc for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet, the cash flow statement 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and the auditors

As described in the statement of directors' responsibilities the company directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Metaskil plc

Independent auditors' report to the shareholders of Metaskil plc continued

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.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 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 for the year ended 31 March 2008.


HW
Chartered Accountants and
Registered Auditors

31/10/08

30 Camp Road
Farnborough
Hants
GU14 6EW

Metaskil plc

**Profit and loss account
for the year ended 31 March 2008**

		Continuing operations	
		2008	2007
	Notes	£	£
Turnover	2	5,445,366	5,795,085
Cost of sales		(4,410,628)	(4,808,484)
Gross profit		1,034,738	986,601
Administrative expenses		(1,028,359)	(895,697)
Operating profit	3	6,379	90,904
Cost of fundamental reorganisation		-	(71,833)
Profit on ordinary activities before interest		6,379	19,071
Other interest receivable and similar income	5	1,242	980
Interest payable and similar charges	6	(63)	(6)
Profit on ordinary activities before taxation		7,558	20,045
Tax on profit on ordinary activities	8	(6,651)	(2,121)
Profit for the year	15	907	17,924

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

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

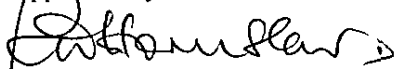
The notes on pages 8 to 16 form an integral part of these financial statements.

Metaskil plc

**Balance sheet
as at 31 March 2008**

		2008		2007	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		3,375		4,999
Current assets					
Debtors	10				
falling due after more than one year		7,750		7,750	
falling due within one year		1,207,118		877,123	
Cash at bank and in hand		148,139		225,173	
		<u>1,363,007</u>		<u>1,110,046</u>	
Creditors: amounts falling due within one year	11	<u>(1,122,417)</u>		<u>(871,780)</u>	
Net current assets			<u>240,590</u>		<u>238,266</u>
Total assets less current liabilities			243,965		243,265
Provisions for liabilities	12		<u>(427)</u>		<u>(634)</u>
Net assets			<u>243,538</u>		<u>242,631</u>
Capital and reserves					
Called up share capital	14		52,083		52,083
Share premium account	15		49,167		49,167
Profit and loss account	15		142,288		141,381
Shareholders' funds	16		<u>243,538</u>		<u>242,631</u>

Approved by the Board and authorised for issue on 28 October 2008 and signed on its behalf by



Donald Richard Hornblow
Director

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

Metaskil plc

**Cash flow statement
for the year ended 31 March 2008**

	Notes	2008 £	2007 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		6,379	90,904
Depreciation		1,125	1,666
(Increase) in debtors		(329,995)	310,423
Increase in creditors		246,153	(191,694)
Cost of fundamental reorganisation		-	(71,833)
Net cash outflow from operating activities		<u>(76,338)</u>	<u>139,466</u>
Cash flow statement			
Net cash outflow from operating activities		(76,338)	139,466
Returns on investments and servicing of finance	21	1,179	974
Taxation	21	(2,375)	(17,794)
Capital expenditure	21	500	(1,051)
Decrease in cash in the year		<u>(77,034)</u>	<u>121,595</u>
Reconciliation of net cash flow to movement in net debt (Note 22)			
Decrease in cash in the year		(77,034)	121,595
Net funds at 1 April 2007		<u>225,173</u>	<u>103,578</u>
Net funds at 31 March 2008		<u>148,139</u>	<u>225,173</u>

Metaskil plc

Notes to the financial statements for the year ended 31 March 2008

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and are in accordance with applicable accounting standards

1.2. Compliance with accounting standards

The financial statements are prepared in accordance with United Kingdom Auditing Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year. All income streams are recognised as soon as they are invoiced.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	25% reducing balance
Office equipment	-	25% reducing balance

1.5. Leasing

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

1.6. Pensions and other post-retirement benefits

The company operates defined contribution schemes for the benefit of its employees and directors. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7. Deferred taxation

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

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

1.8. Debt factoring

Debtors are shown gross as an asset in the accounts and proceeds received from the factor are included within creditors as a liability.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

Metaskil plc

**Notes to the financial statements
for the year ended 31 March 2008**

continued

3. Operating profit	2008	2007
	£	£
Depreciation and other amounts written off tangible assets	1,125	1,666
- Plant and machinery	7,687	8,226
- Land and buildings	31,000	31,000
Auditors' remuneration (Note 4)	3,500	3,500
	<u> </u>	<u> </u>
 4. Auditors' remuneration	 2008	 2007
	£	£
Auditors' remuneration - audit of the financial statements	3,500	3,500
	<u> </u>	<u> </u>
 5. Interest receivable and similar income	 2008	 2007
	£	£
Bank interest	1,242	980
	<u> </u>	<u> </u>
 6. Interest payable and similar charges	 2008	 2007
	£	£
On loans and overdrafts	63	6
	<u> </u>	<u> </u>

Metaskil plc

**Notes to the financial statements
for the year ended 31 March 2008**

continued

7. Employees

Number of employees

2008

2007

The average monthly numbers of employees
(including the directors) during the year were

Administration

2

2

Operations

9

8

11

10

Employment costs

2008

2007

£

£

Wages and salaries

785,455

661,297

Social security costs

86,484

66,404

Pension costs-other operating charge

38,548

40,835

Staff costs-operating charges

910,487

768,536

7.1. Directors' emoluments

2008

2007

£

£

Remuneration and other emoluments

227,004

129,268

Pension contributions

16,369

12,000

243,373

141,268

Number

Number

Number of directors to whom retirement benefits
are accruing under a money purchase scheme

2

1

Highest paid director

£

£

Amounts included above

Emoluments and other benefits

127,645

129,268

Pension contributions

12,000

12,000

139,645

141,268

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**Notes to the financial statements
for the year ended 31 March 2008**

continued

8. Tax on profit on ordinary activities

Analysis of charge in period	2008	2007
	£	£
Current tax		
UK corporation tax	6,879	2,700
Adjustments in respect of previous periods	(21)	(409)
	<u>6,858</u>	<u>2,291</u>
Total current tax charge	<u>6,858</u>	<u>2,291</u>
Deferred tax		
Timing differences, origination and reversal	(207)	(170)
Total deferred tax	<u>(207)</u>	<u>(170)</u>
Tax on profit on ordinary activities	<u>6,651</u>	<u>2,121</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (20 per cent) The differences are explained below

	2008	2007
	£	£
Profit on ordinary activities before taxation	<u>7,558</u>	<u>20,045</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (31 March 2007 19%)	1,512	3,809
Effects of:		
Expenses not deductible for tax purposes	5,226	3,673
Capital allowances for period in excess of depreciation	141	170
Adjustments to tax charge in respect of previous periods	(21)	(409)
Group relief	-	(4,952)
Current tax charge for period	<u>6,858</u>	<u>2,291</u>

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**Notes to the financial statements
for the year ended 31 March 2008**

continued

9. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost			
At 1 April 2007	10,734	650	11,384
Disposals	(500)	-	(500)
At 31 March 2008	<u>10,234</u>	<u>650</u>	<u>10,884</u>
Depreciation			
At 1 April 2007	5,997	387	6,384
Charge for the year	1,059	66	1,125
At 31 March 2008	<u>7,056</u>	<u>453</u>	<u>7,509</u>
Net book values			
At 31 March 2008	<u>3,178</u>	<u>197</u>	<u>3,375</u>
At 31 March 2007	<u>4,737</u>	<u>263</u>	<u>5,000</u>

10. Debtors

	2008 £	2007 £
Trade debtors	684,198	394,350
Amounts owed by group undertakings	-	6,624
Other debtors	-	11,972
Prepayments and accrued income	<u>530,670</u>	<u>471,927</u>
	<u>1,214,868</u>	<u>884,873</u>

Amounts falling due after more than one year and included in debtors are

Prepayments and accrued income	<u>7,750</u>	<u>7,750</u>
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Metaskil plc

**Notes to the financial statements
for the year ended 31 March 2008**

continued

11. Creditors: amounts falling due within one year	2008 £	2007 £
Trade creditors	104,925	76,784
Amounts owed to group undertaking	454,055	272,721
Corporation tax	7,184	2,700
Other taxes and social security costs	63,250	64,683
Other creditors	4,434	-
Accruals and deferred income	480,750	452,054
Pension contributions	7,819	2,838
	<u>1,122,417</u>	<u>871,780</u>

The company has an invoice discounting facility with Lloyds/TSB Commercial Finance. No funds were in use at 31 March 2008 (31 March 2007 - £Nil). The company has given a debenture over all of its assets as security for funds advanced under the facility.

12. Provisions for liabilities

	Deferred taxation (Note 13) £	Total £
At 1 April 2007	634	634
Movements in the year	207	207
At 31 March 2008	<u>427</u>	<u>427</u>

Metaskil plc

**Notes to the financial statements
for the year ended 31 March 2008**

continued

13.	Provision for deferred taxation	2008 £	2007 £	
	Accelerated capital allowances	427	634	
	Provision for deferred tax	427	634	
	Provision at 1 April 2007	634		
	Deferred tax credit in profit and loss account	(207)		
	Provision at 31 March 2008	427		
14.	Share capital	2008 £	2007 £	
	Authorised equity			
	97,000 Ordinary shares of £1 each	97,000	97,000	
	Allotted, called up and fully paid equity			
	52,083 Ordinary shares of £1 each	52,083	52,083	
15.	Equity Reserves	Share premium account £	Profit and loss account £	Total £
	At 1 April 2007	49,167	141,381	190,548
	Profit for the year		907	907
	At 31 March 2008	49,167	142,288	191,455
16.	Reconciliation of movements in shareholders' funds	2008 £	2007 £	
	Profit for the year	907	17,924	
	Opening shareholders' funds	242,631	224,707	
	Closing shareholders' funds	243,538	242,631	

Metaskil plc

Notes to the financial statements for the year ended 31 March 2008

continued

17. Financial commitments

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Expiry date:				
In next year	-	-	-	1,166
In second to fifth years	31,000	31,000	7,687	760
	<u>31,000</u>	<u>31,000</u>	<u>7,687</u>	<u>1,926</u>

18. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate holding company. These transactions are available from the parent company's registered address.

19. Pension and other post-retirement benefit commitments	2008	2007
	£	£
Contributions payable by the company	38,548	40,835
Contributions payable at the year end	<u>7,819</u>	<u>2,838</u>

20. Ultimate parent undertaking

The company considers Metaskil Group Ltd, a company incorporated in England & Wales, to be its ultimate holding company.

Metaskil plc

**Notes to the financial statements
for the year ended 31 March 2008**

continued

21. Gross cash flows

	2008	2007
	£	£
Returns on investments and servicing of finance		
Interest received	1,242	980
Interest paid	(63)	(6)
	<u>1,179</u>	<u>974</u>
Taxation		
Corporation tax paid	(2,680)	(17,794)
Corporation tax repaid	305	-
	<u>(2,375)</u>	<u>(17,794)</u>
Capital expenditure		
Payments to acquire tangible assets	-	(1,051)
Receipts from sales of tangible assets	500	-
	<u>500</u>	<u>(1,051)</u>

22. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	225,173	(77,034)	148,139
Net funds	<u>225,173</u>	<u>(77,034)</u>	<u>148,139</u>