

Metaskil plc
Directors' report and financial statements
for the year ended 31 March 2010

FRIDAY



A8F77NHF

A47

17/09/2010

203

COMPANIES HOUSE

Metaskil plc

Company information

Directors	Wilfred Christopher Eaton Donald Richard Hornblow Ian Faulkner
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

Contents

	Page
Directors' report	1 - 2
Auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8 - 16

Metaskil plc

Directors' report for the year ended 31 March 2010

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

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 to clients and other companies in the Metaskil group. During the year the company achieved revenue of £4,270,923 with a gross profit of £643,952. Although turnover was lower than in the previous year, the company won contracts for its Project Management Services with both new and existing clients. Despite the market having suffered a substantial downturn during the past two years and the economic outlook in the UK remaining uncertain, the directors remain confident that the strategy for the company is sound and expect a profitable year ahead. The directors consider that turnover, gross profit and maintenance of available cash are the key performance indicators of the business. For further information please visit the company's web site at www.Metaskil.com

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of a final dividend

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

Payments of creditors

It is the company's policy to settle suppliers' accounts in accordance with their individual terms of business. At 31 March 2010 the company had £62,544 of trade creditors (creditor days 5.0)

Directors

The directors who served during the year are as stated below

Wilfred Christopher Eaton
Donald Richard Hornblow
Ian Faulkner

Charitable Donations

During the year the company contributed £2,781 to charities

Directors' responsibilities

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

Metaskil plc

**Directors' report
for the year ended 31 March 2010**

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). 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 year. In preparing these financial statements, the directors are required to

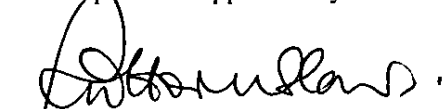
- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 him 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.

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.

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



Donald Richard Hornblow

Secretary

Dated: 6 September 2010

Independent auditor's report to the members of Metaskil plc

We have audited the financial statements of Metaskil plc for the year ended 31 March 2010 set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006.

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

**Independent auditor's report to the members of
Metaskil plc**

continued



**Roslyn McFarlane (Senior Statutory Auditor)
For and on behalf of HW
Chartered Accountants
Statutory Auditor**

**13 September 2010
30 Camp Road
Farnborough
Hants
GU14 6EW**

Metaskil plc

**Profit and loss account
for the year ended 31 March 2010**

		Continuing operations	
		2010	2009
	Notes	£	£
Turnover	2	4,270,923	7,617,824
Cost of sales		(3,626,971)	(6,235,175)
Gross profit		643,952	1,382,649
Administrative expenses		(773,609)	(1,192,432)
Operating (loss)/profit	3	(129,657)	190,217
Other interest receivable and similar income	5	-	620
Interest payable and similar charges	6	(48)	(7)
(Loss)/profit on ordinary activities before taxation		(129,705)	190,830
Tax on (loss)/profit on ordinary activities	8	29,007	(49,530)
(Loss)/profit for the year	15	(100,698)	141,300

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

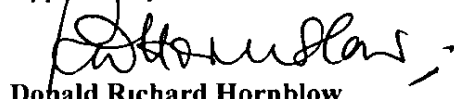
The notes on pages 8 to 16 form an integral part of these financial statements.

Metaskil plc

**Balance sheet
as at 31 March 2010**

		2010		2009	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		6,996		8,636
Current assets					
Debtors	10				
falling due after more than one year		7,750		7,750	
falling due within one year		769,066		1,299,666	
Cash at bank and in hand		85,156		317,602	
		<u>861,972</u>		<u>1,625,018</u>	
Creditors: amounts falling due within one year	11	<u>(583,513)</u>		<u>(1,247,210)</u>	
Net current assets			<u>278,459</u>		<u>377,808</u>
Total assets less current liabilities			<u>285,455</u>		<u>386,444</u>
Provisions for liabilities	12		<u>(1,315)</u>		<u>(1,606)</u>
Net assets			<u>284,140</u>		<u>384,838</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		182,890		283,588
Shareholders' funds	16		<u>284,140</u>		<u>384,838</u>

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



Donald Richard Hornblow

Director

Dated: 6 September 2010

Registration number 2027199

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 2010**

	Notes	2010 £	2009 £
Reconciliation of operating (loss)/profit to net cash (outflow) / inflow from operating activities			
Operating (loss)/profit		(129,657)	190,217
Depreciation		2,332	974
Decrease / (increase) in debtors		559,316	(92,548)
(Decrease) / increase in creditors		(615,297)	83,341
Net cash (outflow) / inflow from operating activities		<u>(183,306)</u>	<u>181,984</u>
Cash flow statement			
Net cash (outflow) / inflow from operating activities		(183,306)	181,984
Returns on investments and servicing of finance	21	(48)	613
Taxation	21	(48,400)	(6,899)
Capital expenditure	21	(692)	(6,235)
(Decrease) / increase in cash in the year		<u>(232,446)</u>	<u>169,463</u>
Reconciliation of net cash flow to movement in net debt (Note 22)			
(Decrease) / increase in cash in the year		(232,446)	169,463
Net funds at 1 April 2009		<u>317,602</u>	<u>148,139</u>
Net funds at 31 March 2010		<u>85,156</u>	<u>317,602</u>

Metaskil plc

Notes to the financial statements for the year ended 31 March 2010

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. 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.

1.3. 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).

1.4. 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
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 are charged to the profit and loss account in the year in which 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.

Metaskil plc

**Notes to the financial statements
for the year ended 31 March 2010**

continued

2. Turnover

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

3. Operating (loss)/profit

	2010	2009
	£	£
Depreciation and other amounts written off tangible assets	2,332	974
Operating lease rentals		
- Plant and machinery	8,936	7,687
- Land and buildings	23,325	31,000
Auditors' remuneration (Note 4)	2,350	2,275

4. Auditors' remuneration

	2010	2009
	£	£
Auditors' remuneration - audit of the financial statements	2,350	2,275

5. Interest receivable and similar income

	2010	2009
	£	£
Bank interest	-	620

6. Interest payable and similar charges

	2010	2009
	£	£
Interest payable on loans < 1 yr	48	7

Metaskil plc

**Notes to the financial statements
for the year ended 31 March 2010**

continued

7. Employees

Number of employees	2010	2009
The average monthly numbers of employees (including the directors) during the year were		
Administration	2	2
Operations	7	9
	<u>9</u>	<u>11</u>

Employment costs	2010	2009
	£	£
Wages and salaries	569,753	816,450
Social security costs	61,217	80,437
Pension costs-other operating charge	46,271	40,755
Staff costs-operating charges	<u>677,241</u>	<u>937,642</u>

7.1. Directors' remuneration	2010	2009
	£	£
Remuneration and other emoluments	242,751	280,184
Pension contributions	31,861	14,256
	<u>274,612</u>	<u>294,440</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>

Highest paid director	£	£
Amounts included above		
Emoluments and other benefits	114,367	139,157
Pension contributions	25,536	14,256
	<u>139,903</u>	<u>153,413</u>

Metaskil plc

**Notes to the financial statements
for the year ended 31 March 2010**

continued

8. Tax on (loss)/profit on ordinary activities

Analysis of charge in period	2010	2009
	£	£
Current tax		
UK corporation tax at 28% (2009 - 28%)	(28,716)	48,351
Total current tax charge	<u>(28,716)</u>	<u>48,351</u>
Deferred tax		
Timing differences, origination and reversal	(291)	1,179
Total deferred tax	<u>(291)</u>	<u>1,179</u>
Tax on (loss)/profit on ordinary activities	<u>(29,007)</u>	<u>49,530</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 (28 00 per cent) The differences are explained below

	2010	2009
	£	£
(Loss)/profit on ordinary activities before taxation	<u>(129,705)</u>	<u>190,830</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28 00% (31 March 2009 28 00%)	(36,317)	53,432
Effects of:		
Expenses not deductible for tax purposes	4,231	5,972
Capital allowances for period in excess of depreciation	406	(1,544)
Marginal rate relief	2,964	(9,509)
Current tax charge for period	<u>(28,716)</u>	<u>48,351</u>

Metaskil plc

**Notes to the financial statements
for the year ended 31 March 2010**

continued

9. Tangible fixed assets	Plant and machinery	Office equipment	Total
	£	£	£
Cost			
At 1 April 2009	10,234	6,885	17,119
Additions	692	-	692
At 31 March 2010	<u>10,926</u>	<u>6,885</u>	<u>17,811</u>
Depreciation			
At 1 April 2009	7,851	632	8,483
Charge for the year	769	1,563	2,332
At 31 March 2010	<u>8,620</u>	<u>2,195</u>	<u>10,815</u>
Net book values			
At 31 March 2010	<u>2,306</u>	<u>4,690</u>	<u>6,996</u>
At 31 March 2009	<u>2,383</u>	<u>6,253</u>	<u>8,636</u>

10. Debtors	2010	2009
	£	£
Trade debtors	397,903	763,641
Amounts owed by group undertakings	131,603	-
Other debtors	3,038	-
Corporation tax repayable	28,716	-
Prepayments and accrued income	215,556	543,775
	<u>776,816</u>	<u>1,307,416</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>

Metaskil plc

**Notes to the financial statements
for the year ended 31 March 2010**

continued

11. Creditors: amounts falling due within one year	2010 £	2009 £
Trade creditors	62,544	115,435
Amounts owed to group undertaking	156,565	407,569
Corporation tax	236	48,636
Other taxes and social security costs	21,389	66,127
Other creditors	22,454	8,867
Accruals and deferred income	315,100	596,273
Pension contributions	5,225	4,303
	<u>583,513</u>	<u>1,247,210</u>

The company has an invoice discounting facility with Lloyds/TSB Commercial Finance. No funds were in use at 31 March 2010 (31 March 2009 - £Nil). The company has given a debenture over all of its assets as security for funds advanced under the facility.

The company, together with other group companies, is party to an omnibus guarantee and set-off agreement with respect to all monies and liabilities at any time due to the bank by any member of the group.

12. Provisions for liabilities

	Deferred taxation (Note 13) £	Total £
At 1 April 2009	1,606	1,606
Movements in the year	(291)	(291)
At 31 March 2010	<u>1,315</u>	<u>1,315</u>

Metaskil plc

**Notes to the financial statements
for the year ended 31 March 2010**

continued

13.	Provision for deferred taxation	2010 £	2009 £	
	Accelerated capital allowances	1,315	1,606	
	Provision for deferred tax	1,315	1,606	
	Provision at 1 April 2009	1,606		
	Deferred tax credit in profit and loss account	(291)		
	Provision at 31 March 2010	1,315		
14.	Share capital	2010 £	2009 £	
	Allotted, called up and fully paid			
	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 2009	49,167	283,588	332,755
	Loss for the year	-	(100,698)	(100,698)
	At 31 March 2010	49,167	182,890	232,057
16.	Reconciliation of movements in shareholders' funds	2010 £	2009 £	
	(Loss)/profit for the year	(100,698)	141,300	
	Opening shareholders' funds	384,838	243,538	
	Closing shareholders' funds	284,140	384,838	

Metaskil plc

Notes to the financial statements for the year ended 31 March 2010

continued

17. Financial commitments

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

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Expiry date:				
Within one year	-	6,540	-	-
Between one and five years	-	-	7,687	7,687
In over five years	30,225	23,849	-	-
	<u>30,225</u>	<u>30,389</u>	<u>7,687</u>	<u>7,687</u>

18. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 8 from the requirements 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. Dr W Eaton, a director, has charged the company £22,032 during the year for his services.

19. Pension and other post-retirement benefit commitments

	2010	2009
	£	£
Contributions payable by the company	46,271	40,755
Contributions payable at the year end	<u>5,225</u>	<u>4,303</u>

20. Ultimate parent undertaking

The company considers Metaskil Group Ltd, a company incorporated in England & Wales, to be its ultimate holding company. Copies of the parent company consolidated accounts can be obtained from the registered office at 7 Fortuna Court, Calleva Park, Aldermaston, Reading, RG7 8UB.

Metaskil plc

**Notes to the financial statements
for the year ended 31 March 2010**

continued

21. Gross cash flows

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	-	620
Interest paid	(48)	(7)
	<u>(48)</u>	<u>613</u>
Taxation		
Corporation tax paid	<u>(48,400)</u>	<u>(6,899)</u>
Capital expenditure		
Payments to acquire tangible assets	<u>(692)</u>	<u>(6,235)</u>

22. Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	317,602	(232,446)	85,156
Net funds	<u>317,602</u>	<u>(232,446)</u>	<u>85,156</u>