

Company Registration No. 02027199 (England and Wales)

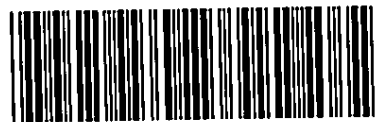
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METASKIL PLC

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2011

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METASKIL PLC

COMPANY INFORMATION

Directors	W C Eaton D R Hornblow I Faulkner
Secretary	D R Hornblow
Company number	02027199
Registered office	7 Fortuna Court Calleva Park Aldermaston Reading Berkshire RG7 8UB
Auditors	HW 30 Camp Road Farnborough Hampshire GU14 6EW
Business address	7 Fortuna Court Calleva Park Aldermaston Reading Berkshire RG7 8UB
Bankers	Lloyds TSB Bank PLC 1-2 Market Place Reading Berkshire RG1 2EQ

METASKIL PLC

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METASKIL PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The directors present their report and financial statements for the year ended 31 March 2011

Principal activities and review of the business

The principal activity of the company continued to be that of 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 £2,479,255 with a gross profit of £317,395. Although turnover was lower than in the previous year, the company won contracts for the company's Project Management Services with both new and existing clients.

The market for consulting and staffing services has suffered a downturn during the past two years and the company has therefore reduced the associated fixed costs to match the lower level of revenue. As a result the company generated cash of £90,242 during the year. Although the economic outlook remains uncertain, the directors are confident that the strategy for the company is sound and 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

Financial risk management objectives and policies

- a) the financial risk management objectives of the company for the period 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 policy of the company to settle suppliers' accounts in accordance with their individual terms of business. As at 31 March 2011 the company had £35,642 of trade creditors (creditor days 5).

Results and dividends

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

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 April 2010:

W C Eaton
D R Hornblow
I Faulkner

Charitable donations	2011 £	2010 £
During the year the company made the following payments		
Charitable donations	1,820	2,781

METASKIL PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Statement of directors' responsibilities

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

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

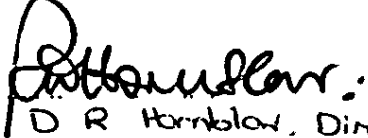
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 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.

Statement of disclosure to auditors

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

On behalf of the board


D R Hornblow, Director

Dated 28.09.2011

METASKIL PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF METASKIL PLC

We have audited the financial statements of Metaskil PLC for the year ended 31 March 2011 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 pages 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 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.

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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2011 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.

METASKIL PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF METASKIL PLC

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, or



Roslyn McFarlane (Senior Statutory Auditor)
for and on behalf of HW

29 September 2011

Chartered Accountants
Statutory Auditor

30 Camp Road
Farnborough
Hampshire
GU14 6EW

METASKIL PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 £
Turnover	2	2,479,255	4,270,923
Cost of sales		(2,161,860)	(3,626,971)
Gross profit		317,395	643,952
Administrative expenses		(353,905)	(773,609)
Operating loss	3	(36,510)	(129,657)
Interest payable and similar charges	4	(106)	(48)
Loss on ordinary activities before taxation		(36,616)	(129,705)
Tax on loss on ordinary activities	5	-	29,007
Loss for the year	12	(36,616)	(100,698)

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

There are no recognised gains and losses other than those passing through the profit and loss account

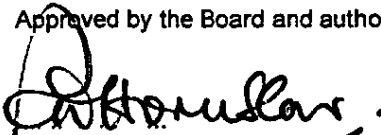
METASKIL PLC

BALANCE SHEET

AS AT 31 MARCH 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	6		5,246		6,996
Current assets					
Debtors amounts falling due within one year	7	1,214,632		769,066	
Debtors amounts falling due after more than one year	7	7,750		7,750	
Cash at bank and in hand		175,398		85,156	
		<u>1,397,780</u>		<u>861,972</u>	
Creditors: amounts falling due within one year	8	<u>(1,154,187)</u>		<u>(583,513)</u>	
Net current assets			<u>243,593</u>		<u>278,459</u>
Total assets less current liabilities			<u>248,839</u>		<u>285,455</u>
Provisions for liabilities	9		<u>(1,315)</u>		<u>(1,315)</u>
			<u>247,524</u>		<u>284,140</u>
Capital and reserves					
Called up share capital	11		52,083		52,083
Share premium account	12		49,167		49,167
Profit and loss account	12		146,274		182,890
Shareholders' funds	13		<u>247,524</u>		<u>284,140</u>

Approved by the Board and authorised for issue on 28 09. 2011


D R Hornblow
Director

Company Registration No. 02027199

METASKIL PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2011

	2011	2010
£	£	£
Net cash inflow/(outflow) from operating activities	90,297	(183,306)
Returns on investments and servicing of finance		
Interest paid	(106)	(48)
Net cash outflow for returns on investments and servicing of finance	(106)	(48)
Taxation	51	(48,400)
Capital expenditure		
Payments to acquire tangible assets	-	(692)
Net cash outflow for capital expenditure	-	(692)
Net cash inflow/(outflow) before management of liquid resources and financing	90,242	(232,446)
Increase/(decrease) in cash in the year	90,242	(232,446)

METASKIL PLC

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2011

1	Reconciliation of operating loss to net cash inflow/(outflow) from operating activities	2011		2010	
		£		£	
	Operating loss	(36,510)		(129,657)	
	Depreciation of tangible assets	1,750		2,332	
	(Increase)/decrease in debtors	(445,566)		559,316	
	Increase/(decrease) in creditors within one year	570,623		(615,297)	
	Net cash inflow/(outflow) from operating activities	90,297		(183,306)	
2	Analysis of net funds	1 April 2010	Cash flow	Other non-cash changes	31 March 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	85,156	90,242	-	175,398
	Net funds	85,156	90,242	-	175,398
3	Reconciliation of net cash flow to movement in net funds	2011		2010	
		£		£	
	Increase/(decrease) in cash in the year	90,242		(232,446)	
	Movement in net funds in the year	90,242		(232,446)	
	Opening net funds	85,156		317,602	
	Closing net funds	175,398		85,156	

METASKIL PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

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

1.3 Turnover

Turnover represents the total value, excluding value added tax, of sales made during the year. All income is recognised on invoicing, any work performed but not yet invoiced is accrued as appropriate

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 less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	25% reducing balance
Fixtures, fittings & 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

The company operates a defined contribution scheme 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 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 United Kingdom

METASKIL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

3	Operating loss	2011 £	2010 £
	Operating loss is stated after charging		
	Depreciation of tangible assets	1,750	2,332
	Operating lease rentals		
	- Plant and machinery	8,228	8,936
	- Other assets	31,265	23,325
	Auditors remuneration	2,900	2,350

Auditors' remuneration in relation to the supply of non audit services is disclosed in the consolidated accounts of Metaskil Group Limited, the ultimate parent company

4	Interest payable	2011 £	2010 £
	On bank loans and overdrafts	106	48

METASKIL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

5	Taxation	2011 £	2010 £
	Domestic current year tax		
	U K corporation tax	-	(28,716)
	Total current tax	-	(28,716)
	Deferred tax		
	Deferred tax charge/credit current year	-	(291)
		-	(29,007)
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(36,616)	(129,705)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2010 - 28.00%)	(7,689)	(36,317)
	Effects of		
	Expenses not deductible for tax purposes	2,087	4,231
	Capital allowances for period in excess of depreciation	32	406
	Tax losses utilised	5,570	-
	Marginal rate relief	-	2,964
		7,689	7,601
	Current tax charge for the year	-	(28,716)

The company has estimated losses of £ 11,073 (2010 - £ nil) available for carry forward against future trading profits

METASKIL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

6 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2010 & at 31 March 2011	10,926	6,885	17,811
Depreciation			
At 1 April 2010	8,620	2,195	10,815
Charge for the year	577	1,173	1,750
At 31 March 2011	9,197	3,368	12,565
Net book value			
At 31 March 2011	1,729	3,517	5,246
At 31 March 2010	2,306	4,690	6,996

7 Debtors

	2011 £	2010 £
Trade debtors	241,510	397,903
Amounts owed by parent and fellow subsidiary undertakings	761,732	131,603
Corporation tax	28,716	28,716
Other debtors	23,083	3,038
Prepayments and accrued income	167,341	215,556
	<u>1,222,382</u>	<u>776,816</u>

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

	2011 £	2010 £
Prepayments	<u>7,750</u>	<u>7,750</u>

METASKIL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

8	Creditors: amounts falling due within one year	2011 £	2010 £
	Trade creditors	41,360	62,544
	Amounts owed to parent and fellow subsidiary undertakings	946,572	156,565
	Corporation tax	287	236
	Other taxes and social security costs	15,155	21,389
	Other creditors	26,313	27,679
	Accruals and deferred income	124,500	315,100
		<u>1,154,187</u>	<u>583,513</u>

The company has an invoice discounting facility with Lloyds TSB Commercial Finance. No funds were in use at 31 March 2011 (2010 - £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.

9 Provisions for liabilities

	Deferred tax liability £
Balance at 1 April 2010 & at 31 March 2011	<u>1,315</u>

The deferred tax liability is made up as follows:

	2011 £	2010 £
Accelerated capital allowances	<u>1,315</u>	<u>1,315</u>

10 Pension and other post-retirement benefit commitments

Defined contribution

The pension contributions payable at the year end were £3,859 (2010 - £5,225)

	2011 £	2010 £
Contributions payable by the company for the year	<u>39,966</u>	<u>46,271</u>

METASKIL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

11 Share capital	2011 £	2010 £
Allotted, called up and fully paid 52,083 Ordinary shares of £1 each	52,083	52,083

12 Statement of movements on reserves	Share premium account £	Profit and loss account £
Balance at 1 April 2010	49,167	182,890
Loss for the year	-	(36,616)
Balance at 31 March 2011	49,167	146,274

13 Reconciliation of movements in shareholders' funds	2011 £	2010 £
Loss for the financial year	(36,616)	(100,698)
Opening shareholders' funds	284,140	384,838
Closing shareholders' funds	247,524	284,140

14 Financial commitments

At 31 March 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2012

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Operating leases which expire				
Between two and five years	-	-	7,763	7,687
In over five years	30,225	30,225	-	-
	30,225	30,225	7,763	7,687

METASKIL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

15 Directors' remuneration	2011 £	2010 £
Remuneration for qualifying services	243,096	242,751
Company pension contributions to defined contribution schemes	31,861	31,861
	<u>274,957</u>	<u>274,612</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2010 - 2)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	111,964	114,367
Company pension contributions to defined contribution schemes	25,536	25,536
	<u>137,500</u>	<u>139,903</u>

16 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Administration	2	2
Operations	7	7
	<u>9</u>	<u>9</u>

Employment costs	2011 £	2010 £
Wages and salaries	416,150	569,753
Social security costs	53,461	61,217
Other pension costs	39,966	46,271
	<u>509,577</u>	<u>677,241</u>

METASKIL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

17 Control

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

18 Related party relationships and transactions

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' 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.

During the year Dr W Eaton, a director, charged the company £22,322 (2010 - £22,032) for his services. There were no amounts outstanding at the year end (2010 - £nil).