Registration number: 2694521

Site Service Engineering Limited

Directors' Report and Financial Statements

for the Year Ended 31 March 2011

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Site Service Engineering Limited
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Site Service Engineering Limited

Directors' Report for the Year Ended 31 March 2011

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

Directors of the company
The directors who held office during the year were as follows

Mr D Stocks

Mrs A M Short

Mr C J Claypole

Principal activity
The principal activity of the company is that of general engineering, manufacturing and supply of skilled labour

Business review

Fair review of the business
Trading in the year ended 31 March 2011 has improved due to the easing of recessionary pressures and more confidence in the manufacturing and engineering sectors

The directors expect trading in the year to 31 March 2012 to continue to be strong and aim to take advantage of opportunities in the future to expand the business

The company's key financial and other performance indicators during the year were as follows

	Unit	2011	2010
Turnover increase	%	64	(38)
Gross profit	%	14	13

Principal risks and uncertainties
Market conditions are expected to remian tough for the foreseeable future, but the directors consider that the company's focus on market leading service provision and its strong customer relationships will ensure the longer term growth of the business

The company continues to be one of the regional market leaders in engineering and supply of skilled labour The directors' long term plan continues to be to diversify the customer base and hence reduce their exposure to market risk

Financial instruments

Objectives and policies
The directors continue to take the management of financial risk very seriously and as such have policies and procedures in place which have been authorised by the Board Managing risk is seen as a key attribute of the company and efforts are made to train and develop employees, who are seen as the company's key asset, through extensive programmes to ensure that they are providing customers with best possible support and service

Site Service Engineering Limited

Directors' Report for the Year Ended 31 March 2011

..... continued

Price risk, credit risk, liquidity risk and cash flow risk
In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest

Trade debtors are managed by factoring the debts to ensure cash flow is regular and prompt The regular monitoring of amounts outstanding for both time and credit limits occurs to control cash flow risk The amounts presented in the balance sheet are net of allowances for doubtful debtors

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

There is a group overdraft facility in place which reduces the cash flow risk to which each group company is exposed

Disclosure of information to the auditors
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of

Approved by the Board on 08·12·11 and signed on its behalf by

Mrs A M Short
Director

Registered office
18 Woodhouse Road
Scunthorpe
North Lincolnshire
DN16 1BD

Site Service Engineering Limited

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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, 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 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

Independent Auditor's Report to the Members of Site Service Engineering Limited

We have audited the financial statements of Site Service Engineering Limited for the year ended 31 March 2011, set out on pages 6 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 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 auditors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), 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 (APB'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 Directors' 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 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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on 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

Independent Auditor's Report to the Members of Site Service Engineering Limited

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

R.A.C.

Robert Smith BSc ACA (Senior Statutory Auditor)
For and on behalf of RNS Chartered Accountants, Statutory Auditors

50-54 Oswald Road
Scunthorpe
North Lincolnshire
DN15 7PQ

Date 8-12-11

Site Service Engineering Limited

Profit and Loss Account for the Year Ended 31 March 2011

	Note	2011 £	2010 £
Turnover		7,471,701	4,559,076
Cost of sales		(6,416,753)	(3,971,521)
Gross profit		1,054,948	587,555
Administrative expenses		(875,238)	(586,118)
Operating profit	2	179,710	1,437
Other interest receivable and similar income		12	1,749
Interest payable and similar charges	4	(20,209)	(10,051)
Profit/(loss) on ordinary activities before taxation		159,513	(6,865)
Tax on profit/(loss) on ordinary activities	5	(41,942)	2,031
Profit/(loss) for the financial year		117,571	(4,834)

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

Site Service Engineering Limited

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Balance Sheet at 31 March 2011

	Note	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible fixed assets	7		39,149		48,936
Current assets					
Stocks	8	239,465		249,124	
Debtors	9	1,822,052		1,438,101	
Cash at bank and in hand		76,194		-	
		2,137,711		1,687,225	
Creditors Amounts falling due within one year	10	(2,112,996)		(1,628,243)	
Net current assets			24,715		58,982
Total assets less current liabilities			63,864		107,918
Provisions for liabilities			(6,503)		(8,128)
Net assets			57,361		99,790
Capital and reserves					
Called up share capital	12	100		100	
Profit and loss account		57,261		99,690	
Shareholders' funds	15		57,361		99,790

Approved by the Board on 8/12/11 and signed on its behalf by

Mr D Stocks
Director

Site Service Engineering Limited

Cash Flow Statement for the Year Ended 31 March 2011

Cash flow statement

	Note	2011 £	2010 £
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		179,710	1,437
Depreciation, amortisation and impairment charges		9,787	12,229
Decrease/(increase) in stocks		9,659	(64,031)
Increase in debtors		(375,990)	(81,791)
Increase in creditors		627,468	105,923
Net cash inflow/(outflow) from operating activities		450,634	(26,233)
Returns on investments and servicing of finance			
Interest received		12	1,749
Interest paid		(20,209)	(10,051)
		(20,197)	(8,302)
Taxation (paid)/received		(51,528)	48,983
Equity dividends paid		(160,000)	-
Net cash inflow before management of liquid resources and financing		218,909	14,448
Financing			
Cash inflow from increase in loans		366,399	188,010
Increase in cash	18	585,308	202,458

Reconciliation of net cash flow to movement in net debt

	Note	2011 £	2010 £
Increase in cash		585,308	202,458
Cash inflow from increase in loans		(366,399)	(188,010)
Change in net debt resulting from cash flows	18	218,909	14,448
Movement in net debt	18	218,909	14,448
Net debt at 1 April	18	(929,991)	(944,439)
Net debt at 31 March	18	(711,082)	(929,991)

Site Service Engineering Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

1 Accounting policies

Basis of preparation
The financial statements have been prepared under the historical cost convention

Turnover
Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

Goodwill
Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Amortisation
Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual, over their expected useful economic life as follows

Asset class	Amortisation method and rate
Goodwill	Over 10 years

Depreciation
Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Asset class	Depreciation method and rate
Plant and equipment	20% per annum on written down value
Office equipment	20% per annum on written down value

Stock and work in progress
Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks Net realisable value is based on selling price less anticipated costs to completion and selling costs Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

Deferred tax
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 required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

Operating leases
Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

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 Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account

2 Operating profit

Operating profit is stated after charging

	2011 £	2010 £
Auditor's remuneration - The audit of the company's annual accounts	3,250	3,250
Depreciation of owned assets	9,787	12,229

3 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	2011 No.	2010 No.
Administration and support	5	2
Production	189	128
	194	130

The aggregate payroll costs were as follows

	2011 £	2010 £
Wages and salaries	5,399,630	3,182,120
Social security costs	528,764	436,700
	5,928,394	3,618,820

4 Interest payable and similar charges

	2011 £	2010 £
Interest on bank borrowings	4,488	2,699
Finance charges	15,721	7,352
	20,209	10,051

Site Service Engineering Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

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5 Taxation

Tax on profit/(loss) on ordinary activities

	2011 £	2010 £
Current tax		
Corporation tax charge	43,567	-
Deferred tax		
Origination and reversal of timing differences	(1,625)	(2,031)
Total tax on profit/(loss) on ordinary activities	41,942	(2,031)

Factors affecting current tax charge for the year

Tax on profit/(loss) on ordinary activities for the year is lower than (2010 - higher than) the standard rate of corporation tax in the UK of 28% (2010 - 28%)

The differences are reconciled below

	2011 £	2010 £
Profit/(loss) on ordinary activities before taxation	159,513	(6,865)
Corporation tax at standard rate	48,584	(1,922)
Depreciation in excess of capital allowances	1,626	2,030
Expenses not deductable for tax purposes	24,146	530
Group loss relief	(29,822)	(638)
Marginal relief	(967)	-
Total current tax	43,567	

Site Service Engineering Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

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6 Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 April 2010	165,654	165,654
At 31 March 2011	165,654	165,654
Amortisation		
At 1 April 2010	165,654	165,654
At 31 March 2011	165,654	165,654
Net book value		
At 31 March 2011	-	-
At 31 March 2010	-	-

7 Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost or valuation			
At 1 April 2010	153,506	15,555	169,061
Depreciation			
At 1 April 2010	110,325	9,800	120,125
Charge for the year	8,636	1,151	9,787
At 31 March 2011	118,961	10,951	129,912
Net book value			
At 31 March 2011	34,545	4,604	39,149
At 31 March 2010	43,181	5,755	48,936

8 Stocks

	2011 £	2010 £
Stocks	7,390	8,015
Work in progress	232,075	241,109
	239,465	249,124

Site Service Engineering Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

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9 Debtors

	2011 £	2010 £
Trade debtors	1,802,027	1,049,284
Amounts owed by undertakings in which the company has a participating interest	6,777	384,552
Other debtors	8,634	-
Prepayments and accrued income	4,614	4,265
	1,822,052	1,438,101

10 Creditors: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	111,375	77,443
Bank overdraft	-	509,114
Advance from factor	787,276	420,877
Amounts owed to group undertakings	275,056	77,555
Other taxes and social security	594,170	250,089
Other creditors	337,969	286,015
Accruals and deferred income	7,150	7,150
	2,112,996	1,628,243

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company

	2011 £	2010 £
Advance from factor	787,276	420,877
Bank overdraft	-	509,114
	787,276	929,991

The advance from factor is secured upon the book debts of the company The bank has an unlimited group cross-guarantee secured upon the company's entire assets

Site Service Engineering Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

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11 Provisions

	Deferred tax £	Total £
At 1 April 2010	8,128	8,128
Credited to the profit and loss account	(1,625)	(1,625)
At 31 March 2011	6,503	6,503

Analysis of deferred tax

	2011 £	2010 £
Difference between accumulated depreciation and amortisation and capital allowances	6,503	8,128
	6,503	8,128

12 Share capital

Allotted, called up and fully paid shares

	2011		2010	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

13 Dividends

	2011 £	2010 £
Dividends paid		
Current year interim dividend paid	160,000	-

Site Service Engineering Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

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14 Reserves

	Profit and loss account £	Total £
At 1 April 2010	99,690	99,690
Profit for the year	117,571	117,571
Dividends	(160,000)	(160,000)
At 31 March 2011	57,261	57,261

15 Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Profit/(loss) attributable to the members of the company	117,571	(4,834)
Dividends	(160,000)	-
Net reduction to shareholders' funds	(42,429)	(4,834)
Shareholders' funds at 1 April	99,790	104,624
Shareholders' funds at 31 March	57,361	99,790

16 Contingent liabilities

The company is party to a group cross-guarantee to its bankers, secured upon the company's entire assets and group undertakings in respect of sums due to the bank from all, or any members of the group The contingent liability in respect of group bank borrowing amounted, at 31 March 2011, to a total of £164,768 (2010 - £nil) The group overdraft facility with group set-off at the balance sheet date amounted to £200,000 (2010 - £200,000)

17 Commitments

Operating lease commitments

As at 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2011 £	2010 £
Land and buildings		
Within one year	16,200	16,200

Site Service Engineering Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

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18 Analysis of net debt

	At 1 April 2010 £	Cash flow £	At 31 March 2011 £
Cash at bank and in hand	-	76,194	76,194
Bank overdraft	(509,114)	509,114	-
	(509,114)	585,308	76,194
Debt due within one year	(420,877)	(366,399)	(787,276)
Net debt	(929,991)	218,909	(711,082)

19 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group

20 Control

The company is controlled by Stocks Group Ltd, the immediate and ultimate parent company One of the directors, Mr D Stocks, has a controlling interest in the parent company