

Site Service Engineering Limited

Directors' Report and Financial Statements

for the Year Ended 31 March 2012

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Site Service Engineering Limited

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Site Service Engineering Limited

Director's Report for the Year Ended 31 March 2012

The director presents his report and the financial statements for the year ended 31 March 2012

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

Mr N Fox

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 2012 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 2013 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	2012	2011
Turnover increase	%	4	64
Gross profit	%	12	14

Principal risks and uncertainties

Market conditions are expected to remain 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 2012

..... 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.

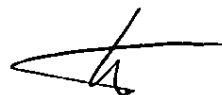
Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

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 13/9/12 and signed on its behalf by



Mr D Stocks
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 2012, set out on pages 6 to 15. 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 2012 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**

..... continued

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 *13-9-2022*

Site Service Engineering Limited
Profit and Loss Account for the Year Ended 31 March 2012

	Note	2012 £	2011 £
Turnover		7,755,389	7,471,701
Cost of sales		<u>(6,802,698)</u>	<u>(6,416,753)</u>
Gross profit		952,691	1,054,948
Administrative expenses		<u>(877,337)</u>	<u>(875,238)</u>
Operating profit	2	75,354	179,710
Other interest receivable and similar income	4	419	12
Interest payable and similar charges	5	<u>(26,959)</u>	<u>(20,209)</u>
Profit on ordinary activities before taxation		48,814	159,513
Tax on profit on ordinary activities	6	<u>40,372</u>	<u>(41,942)</u>
Profit for the financial year	15	<u><u>89,186</u></u>	<u><u>117,571</u></u>

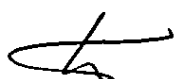
Turnover and operating profit derive wholly from continuing operations

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

Site Service Engineering Limited
Registration number: 2694521
Balance Sheet at 31 March 2012

		2012		2011	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	8		31,320		39,149
Current assets					
Stocks	9	182,202		239,465	
Debtors	10	1,752,436		1,822,052	
Cash at bank and in hand		208,508		76,194	
		<u>2,143,146</u>		<u>2,137,711</u>	
Creditors Amounts falling due within one year	11	<u>(2,023,088)</u>		<u>(2,112,996)</u>	
Net current assets			<u>120,058</u>		<u>24,715</u>
Total assets less current liabilities			151,378		63,864
Provisions for liabilities	12		<u>(4,831)</u>		<u>(6,503)</u>
Net assets			<u>146,547</u>		<u>57,361</u>
Capital and reserves					
Called up share capital	13	100		100	
Profit and loss account	15	<u>146,447</u>		<u>57,261</u>	
Shareholders' funds	16		<u>146,547</u>		<u>57,361</u>

Approved by the Board on 13/9/12 and signed on its behalf by



Mr D Stocks
Director

Site Service Engineering Limited
Cash Flow Statement for the Year Ended 31 March 2012

Cash flow statement

	Note	2012 £	2011 £
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		75,354	179,710
Depreciation, amortisation and impairment charges		7,829	9,787
Decrease in stocks		57,263	9,659
Decrease/(increase) in debtors		142,996	(375,990)
(Decrease)/increase in creditors		<u>(295,693)</u>	<u>627,468</u>
Net cash (outflow)/inflow from operating activities		<u>(12,251)</u>	<u>450,634</u>
Returns on investments and servicing of finance			
Interest received		419	12
Interest paid		<u>(26,959)</u>	<u>(20,209)</u>
		(26,540)	(20,197)
Taxation paid		(34,680)	(51,528)
Equity dividends paid		<u>-</u>	<u>(160,000)</u>
Net cash (outflow)/inflow before management of liquid resources and financing		(73,471)	218,909
Financing			
Cash inflow from increase in loans		<u>205,785</u>	<u>366,399</u>
Increase in cash	19	<u><u>132,314</u></u>	<u><u>585,308</u></u>
Reconciliation of net cash flow to movement in net debt			
	Note	2012 £	2011 £
Increase in cash		132,314	585,308
Cash inflow from increase in loans		<u>(205,785)</u>	<u>(366,399)</u>
Change in net debt resulting from cash flows	19	<u>(73,471)</u>	<u>218,909</u>
Movement in net debt	19	(73,471)	218,909
Net debt at 1 April	19	<u>(711,082)</u>	<u>(929,991)</u>
Net debt at 31 March	19	<u><u>(784,553)</u></u>	<u><u>(711,082)</u></u>

Site Service Engineering Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

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

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account

Site Service Engineering Limited
Notes to the Financial Statements for the Year Ended 31 March 2012

Hire purchase and leasing

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

	2012 £	2011 £
Auditor's remuneration	3,250	3,250
Foreign currency losses	<u>4,689</u>	<u>-</u>

3 Particulars of employees

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

	2012 No.	2011 No.
Administration and support	7	5
Production	<u>189</u>	<u>189</u>
	<u>196</u>	<u>194</u>

The aggregate payroll costs were as follows

	2012 £	2011 £
Wages and salaries	5,569,920	5,399,630
Social security costs	<u>557,520</u>	<u>528,764</u>
	<u>6,127,440</u>	<u>5,928,394</u>

4 Other interest receivable and similar income

	2012 £	2011 £
Other interest receivable	<u>419</u>	<u>12</u>

Site Service Engineering Limited
Notes to the Financial Statements for the Year Ended 31 March 2012

5 Interest payable and similar charges

	2012 £	2011 £
Interest on bank borrowings	-	4,488
Surcharges on late VAT payments	3,367	-
Finance charges	23,592	15,721
	<u>26,959</u>	<u>20,209</u>

6 Taxation

Tax on profit on ordinary activities

	2012 £	2011 £
Current tax		
Corporation tax charge	761	43,567
Adjustments in respect of previous years	(39,461)	-
UK Corporation tax	(38,700)	43,567
Deferred tax		
Origination and reversal of timing differences	(1,672)	(1,625)
Total tax on profit on ordinary activities	<u>(40,372)</u>	<u>41,942</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 20% (2011 - 28%)

The differences are reconciled below

	2012 £	2011 £
Profit on ordinary activities before taxation	48,814	159,513
Corporation tax at standard rate	9,763	44,664
Depreciation in excess of capital allowances	929	1,626
Expenses not deductible for tax purposes	254	28,067
Over provided in prior years	(39,460)	-
Group loss relief	(10,185)	(29,822)
Marginal relief	-	(967)
Total current tax	<u>(38,700)</u>	<u>43,567</u>

Site Service Engineering Limited
Notes to the Financial Statements for the Year Ended 31 March 2012

7 Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 April 2011	165,654	165,654
At 31 March 2012	165,654	165,654
Amortisation		
At 1 April 2011	165,654	165,654
At 31 March 2012	165,654	165,654
Net book value		
At 31 March 2012	-	-
At 31 March 2011	-	-

8 Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost or valuation			
At 1 April 2011	153,506	15,555	169,061
Depreciation			
At 1 April 2011	118,961	10,951	129,912
Charge for the year	6,910	919	7,829
At 31 March 2012	125,871	11,870	137,741
Net book value			
At 31 March 2012	27,635	3,685	31,320
At 31 March 2011	34,545	4,604	39,149

9 Stocks

	2012 £	2011 £
Stocks	9,175	7,390
Work in progress	173,027	232,075
	182,202	239,465

Site Service Engineering Limited
Notes to the Financial Statements for the Year Ended 31 March 2012

10 Debtors

	2012 £	2011 £
Trade debtors	1,662,723	1,802,027
Amounts owed by group undertakings	3,758	6,777
Other debtors	81,341	8,634
Prepayments and accrued income	4,614	4,614
	<u>1,752,436</u>	<u>1,822,052</u>

11 Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	91,914	111,375
Invoice finance creditor	993,061	787,276
Amounts owed to group undertakings	365,664	275,056
Other taxes and social security	286,916	594,170
Other creditors	276,147	337,969
Accruals and deferred income	9,386	7,150
	<u>2,023,088</u>	<u>2,112,996</u>

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

	2012 £	2011 £
Invoice finance creditor	<u>993,061</u>	<u>787,276</u>

The invoice finance creditor is secured upon the book debts of the company. The bank has an unlimited group cross-guarantee secured upon the company's entire assets.

12 Provisions

	Deferred tax £	Total £
At 1 April 2011	6,503	6,503
Credited to the profit and loss account	<u>(1,672)</u>	<u>(1,672)</u>
At 31 March 2012	<u>4,831</u>	<u>4,831</u>

Site Service Engineering Limited
Notes to the Financial Statements for the Year Ended 31 March 2012

Analysis of deferred tax

	2012 £	2011 £
Difference between accumulated depreciation and amortisation and capital allowances	4,831	6,503
	<u>4,831</u>	<u>6,503</u>

13 Share capital**Allotted, called up and fully paid shares**

	2012		2011	
	No	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

14 Dividends

	2012 £	2011 £
Dividends paid		
Current year interim dividend paid	<u>-</u>	<u>160,000</u>

15 Reserves

	Profit and loss account £	Total £
At 1 April 2011	57,261	57,261
Profit for the year	<u>89,186</u>	<u>89,186</u>
At 31 March 2012	<u>146,447</u>	<u>146,447</u>

16 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Profit attributable to the members of the company	89,186	117,571
Dividends	<u>-</u>	<u>(160,000)</u>
Net addition/(reduction) to shareholders' funds	89,186	(42,429)
Shareholders' funds at 1 April	<u>57,361</u>	<u>99,790</u>
Shareholders' funds at 31 March	<u>146,547</u>	<u>57,361</u>

Site Service Engineering Limited
Notes to the Financial Statements for the Year Ended 31 March 2012

17 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 2012, to a total of £279,052 (2011 - £164,768). The group overdraft facility with group set-off at the balance sheet date amounted to £200,000 (2011 - £200,000).

18 Commitments

Operating lease commitments

As at 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire

	2012 £	2011 £
Land and buildings		
Within one year	<u>30,000</u>	<u>16,200</u>

19 Analysis of net debt

	At 1 April 2011 £	Cash flow £	At 31 March 2012 £
Cash at bank and in hand	76,194	132,314	208,508
Debt due within one year	(787,276)	(205,785)	(993,061)
Net debt	<u>(711,082)</u>	<u>(73,471)</u>	<u>(784,553)</u>

20 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.

21 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.

Site Service Engineering Limited
Statement of Directors' Responsibilities