

Company Registration No. 03637521 (England and Wales)

SITEC GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011

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SITEC GROUP LIMITED

COMPANY INFORMATION

Directors	D J Medlock K W J Barnes J Buick	(Appointed 27 September 2011) (Appointed 27 September 2011)
Secretary	P Phipps	
Company number	03637521	
Registered office	St George's Lodge 33 Oldfield Road Bath BA2 3NE	
Auditor	Baker Tilly UK Audit LLP Hartwell House 55-61 Victoria Street Bristol BS1 6AD	
Bankers	Lloyds TSB Bank Plc 47 Milsom Street Bath BA1 1DN	

SITEC GROUP LIMITED

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SITEC GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2011

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

Principal activities and review of the business

The principal activity of the company continued to be that of the provision of management services to group companies

Business review - Financial overview

The company provides management services to group companies, therefore the company's results and financial position are dependent on the results of those group companies. Details concerning these group companies are disclosed in the accounts of the group companies and those of the ultimate parent, Sitec Investments Limited

Summary of key performance indicators

As an intermediate holding company, the directors consider that there are no specific key performance indicators in relation to the company's operations

Results and dividends

The results for the year are set out on page 6

Future development of the business

There are no plans to change the nature of the company's operations

Principal risks and uncertainties

The principal risks and uncertainties the business faces are those that affect the group operations. These are detailed in the accounts of the parent undertaking, Sitec Investments Limited

Directors

The following directors have held office since 1 August 2010

D J Medlock	
P Phipps	(Resigned 27 September 2011)
I Bascombe	(Resigned 27 September 2011)
D J Harris	(Resigned 27 September 2011)
S G Thomson	(Resigned 27 September 2011)
K W J Barnes	(Appointed 27 September 2011)
J Buick	(Appointed 27 September 2011)

SITEC GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2011

Charitable donations	2011	2010
	£	£

During the year the company made the following payments

Charitable donations	<u>2,700</u>	<u>2,000,750</u>
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Charitable donations include £nil (2010 £2,000,000) to the Coles - Medlock Foundation, a registered charity, for general purposes, with the remaining amount being made up of a number of small donations to a variety of charities

Employee involvement

The company's policy is to consult with employees at meetings and on an informal basis on matters likely to affect their interests

Disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with training is given. Once employed, a career plan is developed so as to ensure that there are suitable opportunities within the company for each disabled person. Where employees become disabled then wherever possible arrangements are made for retraining them to perform work identified as appropriate to their aptitudes and abilities.

Creditor payment policy

It is the company's policy to pay all creditors within agreed payment terms which are normally within 30 days following the invoice date.

Auditor

The auditor, Baker Tilly UK Audit LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

SITEC GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 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

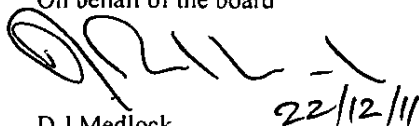
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 the auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

On behalf of the board


D J Medlock
Director

22/12/11

SITEC GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SITEC GROUP LIMITED

We have audited the financial statements of Sitec Group Limited for the year ended 31 July 2011 set out on pages 6 to 18. 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 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 July 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.

SITEC GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SITEC GROUP LIMITED

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

Baker Tilly UK Audit LLP

Andrew Allchin (Senior Statutory Auditor)
for and on behalf of Baker Tilly UK Audit LLP

22-12-2011

Chartered Accountants
Statutory Auditor

Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

SITEC GROUP LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 JULY 2011**

	Notes	2011 £	2010 £
Turnover	2	2,187,500	2,192,900
Administrative expenses		(1,238,944)	(3,747,760)
Operating profit/(loss)	3	948,556	(1,554,860)
Investment income	4	104,377	5,003,507
Other interest receivable and similar income	4	130,109	81,557
Amounts written off investments	5	(11,541)	(8,625)
Interest payable and similar charges	6	(80,760)	(109,365)
Profit on ordinary activities before taxation		1,090,741	3,412,214
Tax on profit on ordinary activities	7	(217,754)	26,707
Profit for the year	16	872,987	3,438,921

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

SITEC GROUP LIMITED

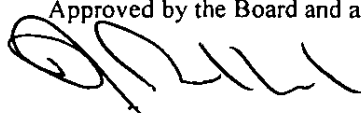
BALANCE SHEET

AS AT 31 JULY 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	8	422,267		451,015	
Investments	9	8,138,493		5,486,577	
		<u>8,560,760</u>		<u>5,937,592</u>	
Current assets					
Debtors	10	167,683		233,005	
Cash at bank and in hand		5,226,114		7,213,542	
		<u>5,393,797</u>		<u>7,446,547</u>	
Creditors: amounts falling due within one year	11	(4,548,906)		(4,851,475)	
Net current assets		<u>844,891</u>		<u>2,595,072</u>	
Total assets less current liabilities		<u>9,405,651</u>		<u>8,532,664</u>	
Creditors: amounts falling due after more than one year	12	(1,000,000)		(1,000,000)	
		<u>8,405,651</u>		<u>7,532,664</u>	
Capital and reserves					
Called up share capital	15	6,647		6,647	
Share premium account	16	249,815		249,815	
Profit and loss account	16	8,149,189		7,276,202	
Shareholder's funds	17	<u>8,405,651</u>		<u>7,532,664</u>	

Approved by the Board and authorised for issue on

22/12/11



D J Medlock
Director

Company Registration No. 03637521

SITEC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking and its cashflows are included in the Group consolidated cash flows

1.2 Turnover

Turnover represents amounts receivable for services net of VAT

1.3 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

Computer equipment	25% straight line
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	25% reducing balance

1.4 Investments

Listed fixed asset investments are stated at the quoted mid-market price. Investments in subsidiary undertakings are stated at cost

1.5 Pensions

The pension cost charge represents contributions payable by the company to the employees' personal pension schemes

1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account

1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Sitec Investments Limited, a company incorporated in England & Wales, and is included in the consolidated accounts of that company

2 Turnover

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

SITEC GROUP LIMITED

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

3	Operating profit/(loss)	2011	2010
		£	£
	Operating profit/(loss) is stated after charging		
	Depreciation of tangible assets	163,360	188,407
	Loss on disposal of tangible assets	-	8,995
	Loss on foreign exchange transactions	-	66,976
	Auditor's remuneration	3,500	4,500
	and after crediting		
	Profit on disposal of tangible assets	(3,485)	-
	Profit on disposal of fixed asset investments	(335,002)	-
	Profit on foreign exchange transactions	(21,725)	-
		<u> </u>	<u> </u>
4	Investment income	2011	2010
		£	£
	Income from shares in group undertakings	-	5,003,507
	Income from other fixed asset investments	104,377	-
	Bank interest	130,109	81,521
	Other interest	-	36
		<u> </u>	<u> </u>
		<u>234,486</u>	<u>5,085,064</u>
5	Amounts written off investments	2011	2010
		£	£
	Amounts written off fixed asset investments		
	- temporary diminution in value	11,541	8,625
		<u> </u>	<u> </u>
6	Interest payable	2011	2010
		£	£
	On bank loans and overdrafts	20,760	49,365
	Dividends paid on preference shares classified as financial liabilities		
	Preference interim paid	60,000	60,000
		<u> </u>	<u> </u>
		<u>80,760</u>	<u>109,365</u>

SITEC GROUP LIMITED

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

7 Taxation	2011	2010
	£	£
Domestic current year tax		
U K corporation tax	199,559	-
Adjustment for prior years	-	(27,689)
Current tax charge / (credit)	199,559	(27,689)
Deferred tax		
Deferred tax charge/credit current year	13,720	982
Deferred tax transferred from subsidiary	4,475	
	217,754	(26,707)
Factors affecting the tax charge / (credit) for the year		
Profit on ordinary activities before taxation	1,090,741	3,412,214
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2010 - 28.00%)	283,593	955,420
Effects of		
Non deductible expenses	6,176	20,845
Depreciation add back	41,568	55,273
Capital allowances	(55,627)	(53,461)
Tax losses utilised	-	425,933
Adjustments to previous periods	-	(27,689)
Dividends and distributions received	-	(1,400,982)
Other tax adjustments	(76,151)	(3,028)
	(84,034)	(983,109)
Current tax charge / (credit)	199,559	(27,689)

SITEC GROUP LIMITED

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

8 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 August 2010	424,363	385,935	406,140	1,216,438
Additions	114,010	33,581	6,986	154,577
Disposals	(149,302)	-	(57,804)	(207,106)
At 31 July 2011	<u>389,071</u>	<u>419,516</u>	<u>355,322</u>	<u>1,163,909</u>
Depreciation				
At 1 August 2010	288,637	240,706	236,080	765,423
On disposals	(149,302)	-	(37,839)	(187,141)
Charge for the year	<u>97,268</u>	<u>26,822</u>	<u>39,270</u>	<u>163,360</u>
At 31 July 2011	<u>236,603</u>	<u>267,528</u>	<u>237,511</u>	<u>741,642</u>
Net book value				
At 31 July 2011	<u>152,468</u>	<u>151,988</u>	<u>117,811</u>	<u>422,267</u>
At 31 July 2010	<u>135,726</u>	<u>145,229</u>	<u>170,060</u>	<u>451,015</u>

SITEC GROUP LIMITED

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

9 Fixed asset investments

	Listed investments	Unlisted investments	Shares in group undertakings	Total
	£	£	£	£
Cost				
At 1 August 2010	112,500	-	5,480,202	5,592,702
Additions	8,016,658	87,719	19,589	8,123,966
Disposals	-	-	(5,460,509)	(5,460,509)
At 31 July 2011	8,129,158	87,719	39,282	8,256,159
Provisions for diminution in value				
At 1 August 2010	106,125	-	-	106,125
Charge for the year	11,541	-	-	11,541
At 31 July 2011	117,666	-	-	117,666
Net book value				
At 31 July 2011	8,011,492	87,719	39,282	8,138,493
At 31 July 2010	6,375	-	5,480,202	5,486,577

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
SG Aerospace Limited	England & Wales	Ordinary	50 00
SG Aerospace SLU	Spain	Ordinary	100 00
SG Aerospace India	India	Ordinary	100 00
GED Sitec SARL	France	Ordinary	100 00

SITEC GROUP LIMITED

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

9 Fixed asset investments

(continued)

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2011 £	Profit/(loss) for the year 2011 £
	Principal activity		
SG Aerospace Limited	Dormant	1,000	-
SG Aerospace SLU	The provision of specialist engineering services	80,293	75,907
SG Aerospace India	The provision of specialist engineering services	14,285	-
GED Sitec SARL	The provision of specialist engineering services	35,733	6,260
		<u>131,288</u>	<u>82,167</u>

On the 1 August 2010, the group structure was changed and certain of the old subsidiaries of Sitec Group Limited were transferred to Sitec Investments Limited

In February 2011 the company restructured its Spanish operations by disposing of its Spanish Subsidiary, Graphic Engineering Design SL for €400,000. At the same time it formed a new company SG Aerospace SLU to undertake a specific contract in Spain

During the year the company completed the process of incorporating SG Aerospace India.

During the year the company invested a further £8 million in its listed portfolio

10 Debtors

	2011 £	2010 £
Trade debtors	-	64,096
Other debtors	68,704	32,296
Prepayments and accrued income	82,438	101,877
Deferred tax asset (see note 13)	16,541	34,736
	<u>167,683</u>	<u>233,005</u>

SITEC GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 JULY 2011

11 Creditors: amounts falling due within one year	2011	2010
	£	£
Trade creditors	15,603	27,087
Amounts owed to group undertakings	4,108,635	4,584,965
Corporation tax	199,559	112
Other taxes and social security costs	24,133	22,301
Other creditors	94,228	78,000
Accruals and deferred income	106,748	139,010
	<u>4,548,906</u>	<u>4,851,475</u>

Lloyds TSB Plc holds an unlimited guarantee over the company assets as security for the group bank overdraft

12 Creditors: amounts falling due after more than one year	2011	2010
	£	£
Preference shares classed as a financial liability	<u>1,000,000</u>	<u>1,000,000</u>
In more than one year but not more than two years	1,000,000	1,000,000

The preference shares are now redeemable at any point on receipt of 14 days written notice from the shareholder. The shares have not been redeemed to date and the shareholder has confirmed his intention not to enact redemption of these shares in the forthcoming year, therefore these shares are classified as a liability due in more than one year. The holder of the preference shares is entitled to a 6% annual dividend.

SITEC GROUP LIMITED

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

13 Provisions for liabilities

The deferred tax asset (included in debtors, note 10) is made up as follows:

	2011 £
Balance at 1 August 2010	(34,736)
Profit and loss account	18,195
Balance at 31 July 2011	<u>(16,541)</u>

	2011 £	2010 £
Decelerated capital allowances	<u>(16,541)</u>	<u>(34,736)</u>

14 Pension and other post-retirement benefit commitments

The pension cost charge represents contributions payable by the company to the fund

Defined contribution

	2011 £	2010 £
Contributions payable by the company for the year	<u>74,445</u>	<u>106,814</u>

15 Share capital

	2011 £	2010 £
Allotted, called up and fully paid 664,700 Ordinary shares of 1p each	<u>6,647</u>	<u>6,647</u>

SITEC GROUP LIMITED

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

16 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 August 2010	249,815	7,276,202
Profit for the year	-	872,987
	<u>249,815</u>	<u>8,149,189</u>
Balance at 31 July 2011	<u>249,815</u>	<u>8,149,189</u>

17 Reconciliation of movements in shareholder's funds

	2011 £	2010 £
Profit for the financial year	872,987	3,438,921
Net addition to shareholder's funds	872,987	3,438,921
Opening shareholder's funds	7,532,664	4,093,743
	<u>8,405,651</u>	<u>7,532,664</u>
Closing shareholder's funds	<u>8,405,651</u>	<u>7,532,664</u>

18 Directors' emoluments

	2011 £	2010 £
Emoluments for qualifying services	267,957	291,702
Company pension contributions to money purchase schemes	26,500	28,500
	<u>294,457</u>	<u>320,202</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2010 2)

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

Emoluments for qualifying services	95,337	103,920
Company pension contributions to money purchase schemes	8,500	8,500

SITEC GROUP LIMITED

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

19 Employees

Number of employees

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

	2011 Number	2010 Number
Administration	<u>20</u>	<u>18</u>

Employment costs

	2011 £	2010 £
Wages and salaries	730,399	698,872
Social security costs	78,190	86,125
Other pension costs	<u>74,445</u>	<u>106,814</u>
	<u>883,034</u>	<u>891,811</u>

20 Control

The parent undertaking is Sitec Investments Limited. A copy of this company's accounts is available from Companies House, Cardiff. The ultimate controlling party is the director of Sitec Investments Limited, D J Medlock. Sitec Investments Limited heads the largest and smallest group in which the results of the company are consolidated.

SITEC GROUP LIMITED

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

21 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

During the year, the company made sales of £30,000 (2010 £27,900) for the provision of management services to Anglo Welsh Limited, a company of which D J Medlock is a director and has a controlling interest. At the year end the company was owed £22,500 (2010 £22,500) by Anglo Welsh Limited.

During the year, the company made sales of £40,000 (2010 £40,000) for the provision of management services to Beeley Wood Properties Limited, a company of which D J Medlock is a director and has a controlling interest. At the year end the company was owed £46,000 (2010 £46,000) by Beeley Wood Properties Limited.

During the year, the company made sales of £17,500 (2010 £nil) for the provision of management services to JRA Aerospace Limited, a company of which D J Medlock is a director and has a controlling interest. At the year end the company was owed £17,500 (2010 £nil) by JRA Aerospace Limited.

During the year, the company purchased management consultancy services to the value of £21,879 (2010 £40,796) from Sully Partnership Limited of which I C Bascombe is a director. At the year end, the company owed £400 (2010 £3,600).

During the year, the company purchased management consultancy services to the value of £25,000 (2010 £25,000) from SGT Services Limited of which S G Thomson is a director. At the year end the company owed £2,083 (2010 £2,083).

During the year, the company made a charitable donation to the value of £nil (2010 £2,000,000) to the Coles-Medlock Foundation, a Charitable Trust of which D J Medlock is a Trustee.

During the year the company made a loan of £75,000 to Mrs T Boshier, a Director of Sitec Engineering Limited. At the year end the company was owed £26,000 and this was repaid in full on 1 August 2011.

At the year end the company owed to D J Harris the balance of a loan made to the group in the sum of £61,000.