

# Sitec Group Limited

## FINANCIAL STATEMENTS

for the year ended

31 July 2012



# Sitec Group Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

D J Medlock  
K W J Barnes  
J Buick

### SECRETARY

P Phipps

### REGISTERED OFFICE

St George's Lodge  
33 Oldfield Road  
Bath  
BA2 3NE

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
Hartwell House  
55-61 Victoria Street  
Bristol  
BS1 6AD

### BANKERS

Lloyds TSB Bank Plc  
47 Milsom Street  
Bath  
BA1 1DN

# Sitec Group Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of Sitec Group Limited for the year ended 31 July 2012

### PRINCIPAL ACTIVITY

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

### REVIEW OF THE BUSINESS

#### *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 those group companies are disclosed in the accounts of the group companies and those of the ultimate parent company, Sitec Investments Limited.

#### *Summary of key performance indicators*

As a holding and management company, the directors consider that there are no specific key performance indicators in relation to the company's operations.

### FUTURE DEVELOPMENTS

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

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £309,069 (2011 - profit £872,987). The directors have not recommended a dividend.

### 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 directors who served the company during the year were as follows:

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

### POLICY ON THE PAYMENT OF CREDITORS

It is the company's policy to pay all creditors within agreed payment terms which are normally within 30 days following the invoice date. At the balance sheet date, trade creditors represented 14 (2011: 9) days' purchases.

# Sitec Group Limited

## DIRECTORS' REPORT

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### DONATIONS

During the year the company made the following contributions

|                      | 2012         | 2011         |
|----------------------|--------------|--------------|
|                      | £            | £            |
| Charitable donations | <u>1,554</u> | <u>2,700</u> |

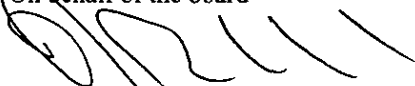
### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to remain in office and is deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the board



D J Medlock  
Director

21/01/13

# Sitec Group Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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 MEMBER OF SITEC GROUP LIMITED

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We have audited the financial statements 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 member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 4, 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**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 July 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.

### **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*

RUTH FOREMAN (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol BS1 6AD

*29 January 2013*

**Sitec Group Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 July 2012

|                                               |              | 2012        | 2011        |
|-----------------------------------------------|--------------|-------------|-------------|
|                                               | <i>Notes</i> | £           | £           |
| TURNOVER                                      | 2            | 1,670,000   | 2,187,500   |
| Administrative expenses                       |              | (1,642,048) | (1,238,944) |
| OPERATING PROFIT                              | 3            | 27,952      | 948,556     |
| Investment income                             | 6            | 435,401     | 104,377     |
| Interest receivable                           | 7            | 151,344     | 130,109     |
| Amounts written off investments               | 8            | (136,653)   | (11,541)    |
|                                               |              | 478,044     | 1,171,501   |
| Interest payable and similar charges          | 9            | (68,974)    | (80,760)    |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION |              | 409,070     | 1,090,741   |
| Taxation                                      | 10           | (100,001)   | (217,754)   |
| PROFIT FOR THE FINANCIAL YEAR                 | 23           | 309,069     | 872,987     |

The profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

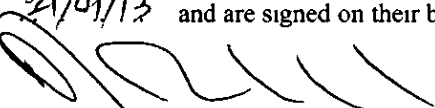
## Sitec Group Limited

## BALANCE SHEET

31 July 2012

|                                              | Notes | 2012<br>£        | 2011<br>£        |
|----------------------------------------------|-------|------------------|------------------|
| <b>FIXED ASSETS</b>                          |       |                  |                  |
| Tangible assets                              | 11    | 321,627          | 422,267          |
| Investments                                  | 12    | 7,722,221        | 8,138,493        |
|                                              |       | <u>8,043,848</u> | <u>8,560,760</u> |
| <b>CURRENT ASSETS</b>                        |       |                  |                  |
| Debtors                                      | 14    | 144,632          | 167,683          |
| Cash at bank and in hand                     |       | 8,928,338        | 5,226,114        |
|                                              |       | <u>9,072,970</u> | <u>5,393,797</u> |
| <b>CREDITORS</b>                             |       |                  |                  |
| Amounts falling due within one year          | 16    | (7,402,098)      | (4,548,906)      |
| <b>NET CURRENT ASSETS</b>                    |       |                  |                  |
|                                              |       | <u>1,670,872</u> | <u>844,891</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                  |                  |
|                                              |       | <u>9,714,720</u> | <u>9,405,651</u> |
| <b>CREDITORS</b>                             |       |                  |                  |
| Amounts falling due after more than one year | 17    | (1,000,000)      | (1,000,000)      |
|                                              |       | <u>8,714,720</u> | <u>8,405,651</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                  |
| Called up share capital                      | 21    | 6,647            | 6,647            |
| Share premium account                        | 22    | 249,815          | 249,815          |
| Profit and loss account                      | 23    | 8,458,258        | 8,149,189        |
| <b>SHAREHOLDER'S FUNDS</b>                   |       |                  |                  |
|                                              | 24    | <u>8,714,720</u> | <u>8,405,651</u> |

The financial statements on pages 6 to 18 were approved by the board of directors and authorised for issue on 21/01/13 and are signed on their behalf by



D J Medlock  
Director

# Sitec Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

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### 1 ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

#### INDIVIDUAL ACCOUNTS

For the reasons set out below the financial statements present information about the company as an individual undertaking and not about its group

#### CONSOLIDATION

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts

#### CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

#### TURNOVER

Turnover represents amounts receivable for services net of VAT and is recognised when the services are provided

#### FIXED ASSETS

All fixed assets are initially recorded at cost

#### DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows

|                                  |                        |
|----------------------------------|------------------------|
| Computer equipment               | - 25% straight line    |
| Fixtures, fittings and equipment | - 15% reducing balance |
| Motor vehicles                   | - 25% reducing balance |

#### INVESTMENTS

Listed fixed asset investments are stated at the quoted mid-market price. Investments in subsidiary undertakings are stated at cost less, where applicable, provision for diminution in value

#### PENSION COSTS

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

# Sitec Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

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### 1 ACCOUNTING POLICIES *(continued)*

#### 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

### 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

for the year ended 31 July 2012

### 3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

|                                            | 2012      | 2011      |
|--------------------------------------------|-----------|-----------|
|                                            | £         | £         |
| Depreciation of owned fixed assets         | 138,834   | 163,360   |
| Profit on disposal of fixed assets         | (122,362) | (338,487) |
| Auditor's remuneration                     |           |           |
| - as auditor                               | 3,500     | 3,500     |
| - for other services                       | 3,750     | 3,750     |
| Net profit on foreign currency translation | —         | (21,725)  |

#### Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered

|             | 2012         | 2011         |
|-------------|--------------|--------------|
|             | £            | £            |
| Audit       | 3,500        | 3,500        |
| Accountancy | 2,000        | 2,000        |
| Taxation    | 1,750        | 1,750        |
|             | <u>7,250</u> | <u>7,250</u> |

### 4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was

|                | 2012      | 2011      |
|----------------|-----------|-----------|
|                | No        | No        |
| Directors      | 3         | 3         |
| Administration | 18        | 17        |
|                | <u>21</u> | <u>20</u> |

The aggregate payroll costs of the above were

|                       | 2012             | 2011           |
|-----------------------|------------------|----------------|
|                       | £                | £              |
| Wages and salaries    | 826,654          | 730,399        |
| Social security costs | 89,906           | 78,190         |
| Other pension costs   | 241,805          | 74,445         |
|                       | <u>1,158,365</u> | <u>883,034</u> |

### 5 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

|                                                                  | 2012           | 2011           |
|------------------------------------------------------------------|----------------|----------------|
|                                                                  | £              | £              |
| Remuneration receivable                                          | 231,472        | 267,957        |
| Value of company pension contributions to money purchase schemes | 49,443         | 26,500         |
|                                                                  | <u>280,915</u> | <u>294,457</u> |

# Sitec Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

### 5 DIRECTORS' REMUNERATION *(continued)*

#### Remuneration of highest paid director

|                                                                  | 2012           | 2011           |
|------------------------------------------------------------------|----------------|----------------|
|                                                                  | £              | £              |
| Total remuneration (excluding pension contributions)             | 85,690         | 95,337         |
| Value of company pension contributions to money purchase schemes | 18,500         | 8,500          |
|                                                                  | <u>104,190</u> | <u>103,837</u> |

The number of directors who accrued benefits under company pension schemes was as follows

|                        | 2012     | 2011     |
|------------------------|----------|----------|
|                        | No       | No       |
| Money purchase schemes | <u>2</u> | <u>2</u> |

### 6 INVESTMENT INCOME

|                                           | 2012           | 2011           |
|-------------------------------------------|----------------|----------------|
|                                           | £              | £              |
| Income from other fixed asset investments | <u>435,401</u> | <u>104,377</u> |

### 7 INTEREST RECEIVABLE

|                          | 2012           | 2011           |
|--------------------------|----------------|----------------|
|                          | £              | £              |
| Bank interest receivable | <u>151,344</u> | <u>130,109</u> |

### 8 AMOUNTS WRITTEN OFF INVESTMENTS

|                                              | 2012           | 2011          |
|----------------------------------------------|----------------|---------------|
|                                              | £              | £             |
| Provisions for temporary diminution in value | <u>136,653</u> | <u>11,541</u> |

### 9 INTEREST PAYABLE AND SIMILAR CHARGES

|                                                            | 2012          | 2011          |
|------------------------------------------------------------|---------------|---------------|
|                                                            | £             | £             |
| On bank loans and overdrafts                               | 8,974         | 20,760        |
| Finance charges on shares classed as financial liabilities | 60,000        | 60,000        |
|                                                            | <u>68,974</u> | <u>80,760</u> |

The finance charges on shares classed as financial liabilities are wholly payable to the immediate and ultimate parent company, Sitec Investments Limited

# Sitec Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

### 10 TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

|                                                                             | 2012<br>£ | 2011<br>£ |
|-----------------------------------------------------------------------------|-----------|-----------|
| Current tax                                                                 |           |           |
| In respect of the year                                                      |           |           |
| UK Corporation tax based on the results for the year<br>at 26% (2011 - 26%) | 105,241   | 199,559   |
| Adjustments to tax charge in respect of previous periods                    | (15,062)  | -         |
| Total current tax                                                           | 90,179    | 199,559   |
| Deferred tax                                                                |           |           |
| Origination and reversal of timing differences                              | 9,822     | 18,195    |
| Tax on profit on ordinary activities                                        | 100,001   | 217,754   |

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26% (2011 - 26%), as explained below

|                                                          | 2012<br>£ | 2011<br>£ |
|----------------------------------------------------------|-----------|-----------|
| Profit on ordinary activities before taxation            | 409,070   | 1,090,741 |
| Profit on ordinary activities by rate of tax             | 106,358   | 283,593   |
| Effects of                                               |           |           |
| Expenses not deductible for tax purposes                 | 45,867    | 6,176     |
| Capital allowances for period in excess of depreciation  | (8,716)   | (14,059)  |
| Adjustments to tax charge in respect of previous periods | (15,062)  | -         |
| Income not chargeable for tax purposes                   | (38,268)  | -         |
| Other tax adjustments                                    | -         | (76,151)  |
| Total current tax (note 10(a))                           | 90,179    | 199,559   |

#### (c) Factors that may affect future tax charges

The main rate of corporation tax was reduced to 26% from 1 April 2011 and is expected to reduce to 22% by 2014. The 24% rate for 2012 was substantively enacted in March 2012 and the 23% rate for 2013 was substantively enacted in July 2012. The 22% rate for 2014 is expected to be substantively enacted during 2013. The small company rate of corporation tax was reduced to 20% from 1 April 2011.

# Sitec Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

### 11 TANGIBLE FIXED ASSETS

|                     | Computer<br>equipment<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Motor<br>vehicles<br>£ | Total<br>£     |
|---------------------|----------------------------|---------------------------------------------|------------------------|----------------|
| Cost                |                            |                                             |                        |                |
| At 1 August 2011    | 389,071                    | 419,516                                     | 355,322                | 1,163,909      |
| Additions           | 82,704                     | –                                           | 16,525                 | 99,229         |
| Disposals           | (80,932)                   | –                                           | (194,479)              | (275,411)      |
| At 31 July 2012     | <u>390,843</u>             | <u>419,516</u>                              | <u>177,368</u>         | <u>987,727</u> |
| Depreciation        |                            |                                             |                        |                |
| At 1 August 2011    | 236,603                    | 267,528                                     | 237,511                | 741,642        |
| Charge for the year | 97,711                     | 22,798                                      | 18,325                 | 138,834        |
| On disposals        | (80,932)                   | –                                           | (133,444)              | (214,376)      |
| At 31 July 2012     | <u>253,382</u>             | <u>290,326</u>                              | <u>122,392</u>         | <u>666,100</u> |
| Net book value      |                            |                                             |                        |                |
| At 31 July 2012     | <u>137,461</u>             | <u>129,190</u>                              | <u>54,976</u>          | <u>321,627</u> |
| At 31 July 2011     | <u>152,468</u>             | <u>151,988</u>                              | <u>117,811</u>         | <u>422,267</u> |

### 12 INVESTMENTS

|                     | Shares in<br>subsidiary<br>undertakings<br>£ | Listed<br>investments<br>£ | Unlisted<br>investments<br>£ | Total<br>£       |
|---------------------|----------------------------------------------|----------------------------|------------------------------|------------------|
| Cost                |                                              |                            |                              |                  |
| At 1 August 2011    | 39,282                                       | 8,129,158                  | 87,719                       | 8,256,159        |
| Additions           | 205,744                                      | 2,686,905                  | –                            | 2,892,649        |
| Disposals           | –                                            | (3,172,268)                | –                            | (3,172,268)      |
| At 31 July 2012     | <u>245,026</u>                               | <u>7,643,795</u>           | <u>87,719</u>                | <u>7,976,540</u> |
| Amounts written off |                                              |                            |                              |                  |
| At 1 August 2011    | –                                            | 117,666                    | –                            | 117,666          |
| Written off in year | –                                            | 136,408                    | 245                          | 136,653          |
| At 31 July 2012     | <u>–</u>                                     | <u>254,074</u>             | <u>245</u>                   | <u>254,319</u>   |
| Net book value      |                                              |                            |                              |                  |
| At 31 July 2012     | <u>245,026</u>                               | <u>7,389,721</u>           | <u>87,474</u>                | <u>7,722,221</u> |
| At 31 July 2011     | <u>39,282</u>                                | <u>8,011,492</u>           | <u>87,719</u>                | <u>8,138,493</u> |

# Sitec Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

### 12 INVESTMENTS *(continued)*

The historic cost of the listed investments is £7,431,450 (2011 - £7,509,977)

Shares in subsidiary undertakings reflect the company's interest in the issued share capital of the companies listed below. Additions reflect the company's investment in GED Technology Inc during the year. The aggregate capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

#### *Aggregate capital and reserves*

|                                | 2012           | 2011     |
|--------------------------------|----------------|----------|
|                                | £              | £        |
| SG Aerospace Limited (dormant) | 1,000          | 1,000    |
| SG Aerospace SLU               | 28,231         | 80,293   |
| SG Aerospace SARL              | 32,635         | 35,733   |
| SG Aerospace India             | 11,391         | 14,285   |
| GED Technology Inc             | <u>104,132</u> | <u>-</u> |

#### *Profit and (loss) for the year*

|                                | 2012            | 2011     |
|--------------------------------|-----------------|----------|
|                                | £               | £        |
| SG Aerospace Limited (dormant) | -               | -        |
| SG Aerospace SLU               | 29,641          | 75,907   |
| SG Aerospace SARL              | 603             | 6,260    |
| SG Aerospace India             | (103)           | -        |
| GED Technology Inc             | <u>(21,225)</u> | <u>-</u> |

### 13 DETAILS OF SUBSIDIARY UNDERTAKINGS

|                      | Country of incorporation | Holding         | Proportion of voting rights and shares held | Nature of business                               |
|----------------------|--------------------------|-----------------|---------------------------------------------|--------------------------------------------------|
| SG Aerospace Limited | England and Wales        | Ordinary shares | 50%                                         | Dormant                                          |
| SG Aerospace SLU     | Spain                    | Ordinary shares | 100%                                        | The provision of specialist engineering services |
| SG Aerospace SARL    | France                   | Ordinary shares | 100%                                        | The provision of specialist engineering services |
| SG Aerospace India   | India                    | Ordinary shares | 100%                                        | The provision of specialist engineering services |
| GED Technology Inc   | USA                      | Ordinary shares | 100%                                        | The provision of specialist engineering services |

### 14 DEBTORS

|                                | 2012           | 2011           |
|--------------------------------|----------------|----------------|
|                                | £              | £              |
| Trade debtors                  | 19,153         | -              |
| Other debtors                  | 36,116         | 68,704         |
| Prepayments and accrued income | 82,644         | 82,438         |
| Deferred taxation (note 15)    | 6,719          | 16,541         |
|                                | <u>144,632</u> | <u>167,683</u> |

# Sitec Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

### 15 DEFERRED TAXATION

The deferred taxation included in the balance sheet is as follows

|                               | 2012         | 2011          |
|-------------------------------|--------------|---------------|
|                               | £            | £             |
| Included in debtors (note 14) | <u>6,719</u> | <u>16,541</u> |

The movement in the deferred taxation account during the year was

|                                                          | 2012         | 2011          |
|----------------------------------------------------------|--------------|---------------|
|                                                          | £            | £             |
| Balance brought forward                                  | 16,541       | 34,736        |
| Profit and loss account movement arising during the year | (9,822)      | (18,195)      |
| Balance carried forward                                  | <u>6,719</u> | <u>16,541</u> |

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

|                                                 | 2012         | 2011          |
|-------------------------------------------------|--------------|---------------|
|                                                 | £            | £             |
| Excess of depreciation over taxation allowances | <u>6,719</u> | <u>16,541</u> |
|                                                 | <u>6,719</u> | <u>16,541</u> |

### 16 CREDITORS Amounts falling due within one year

|                                    | 2012             | 2011             |
|------------------------------------|------------------|------------------|
|                                    | £                | £                |
| Trade creditors                    | 21,404           | 15,603           |
| Amounts owed to group undertakings | 7,090,248        | 4,108,635        |
| Corporation tax                    | 101,961          | 199,559          |
| PAYE and social security           | 22,605           | 24,133           |
| Other creditors                    | 54,008           | 94,228           |
| Accruals and deferred income       | 111,872          | 106,748          |
|                                    | <u>7,402,098</u> | <u>4,548,906</u> |

### 17 CREDITORS Amounts falling due after more than one year

|                                         | 2012             | 2011             |
|-----------------------------------------|------------------|------------------|
|                                         | £                | £                |
| Shares classed as financial liabilities | <u>1,000,000</u> | <u>1,000,000</u> |

### 18 PENSIONS

The pension cost charge represents contributions payable by the company to employees' own personal pension funds. The total charge for the year, including contributions to directors' pension funds, was

|                                                   | 2012           | 2011          |
|---------------------------------------------------|----------------|---------------|
|                                                   | £              | £             |
| Contributions payable by the company for the year | <u>241,805</u> | <u>74,445</u> |

# Sitec Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

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### 19 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under Financial Reporting Standard 8 from the requirement to disclose transactions with other wholly-owned subsidiaries on the grounds that its ultimate parent company, Sitec Investments Limited, prepares consolidated financial statements. Transactions with other related parties are as follows

#### *Transactions with related companies*

During the year, the company made sales of £30,000 (2011 - £30,000) 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 Anglo Welsh Limited owed the company £22,500 (2011 - £22,500).

During the year, the company made sales of £40,000 (2011 - £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 Beeley Wood Properties Limited owed the company £30,000 (2011 - £46,000).

During the year, the company purchased management consultancy services to the value of £26,880 (2011 - £21,879) from Sully Partnership Limited of which I C Bascombe is a director. At the year end the company owed Sully Partnership Limited £4,000 (2011 - £400).

During the year, the company purchased management consultancy services to the value of £25,000 (2011 - £25,000) from SGT Services Limited of which the former director S G Thomson is a director. At the year end the company owed SGT Services Limited £2,083 (2011 - £2,083).

#### *Transactions with directors*

At the start of the year, T Boshier, a director of the fellow subsidiary company Sitec Engineering Limited, owed the company £26,000, reflecting the balance of a loan made during the year ended 31 July 2011. This was repaid in full on 1 August 2011. No interest was charged on this amount.

At the start of the year, the company owed the former director D J Harris £61,000, reflecting the balance of a loan made to the company during the year ended 31 July 2011. This was repaid in full during the year. No interest was charged on this amount.

During the year, the company sold a vehicle to the former director D J Harris for £5,500. This amount remained outstanding at the year end but was paid in full during August 2012. No interest was charged on this amount.

During the year, the company sold a vehicle to the director J Buick for £3,500. This amount remained outstanding at the year end but was paid in full during August 2012. No interest was charged on this amount.

During the year, the company sold a vehicle to the director P Phipps for £7,500. This amount was paid in full during the year.

# Sitec Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

### 20 FOREIGN EXCHANGE CONTRACTS

The company uses forward currency contracts, when appropriate, to mitigate the risk on customer contracts and liabilities not denominated in pounds sterling. Four contracts were in place at the year end.

|          | Protected rate | Limit rate | Expiry date |
|----------|----------------|------------|-------------|
| €500,000 | 1.2600         | 1.1975     | 22 Aug 2012 |
| €500,000 | 1.2600         | 1.1925     | 20 Sep 2012 |
| €500,000 | 1.2600         | 1.1875     | 22 Oct 2012 |
| €500,000 | 1.2600         | 1.1825     | 22 Nov 2012 |

Under the terms of these contracts, if the spot rate at the relevant expiry date is at or below the relevant limit rate, the company is obliged to sell €500,000 for sterling at the relevant protected rate.

If the spot rate at the relevant expiry date is below the relevant protected rate and above the relevant limit rate, the company is entitled but not obliged to sell any amount of currency at the prevailing market rate.

If the spot rate at the relevant expiry date is at or above the relevant protected rate, the company is entitled but not obliged to sell €500,000 at the relevant protected rate.

### 21 SHARE CAPITAL

|                                        | 2012<br>£        | 2011<br>£        |
|----------------------------------------|------------------|------------------|
| Allotted, called up and fully paid     |                  |                  |
| 664,700 Ordinary shares of £0.01 each  | 6,647            | 6,647            |
| 1,000,000 Preference shares of £1 each | 1,000,000        | 1,000,000        |
|                                        | <u>1,006,647</u> | <u>1,006,647</u> |
|                                        | 2012             | 2011             |
| Amounts presented in equity            | £                | £                |
| 664,700 Ordinary shares of £0.01 each  | <u>6,647</u>     | <u>6,647</u>     |
| Amounts presented in liabilities       |                  |                  |
| 1,000,000 Preference shares of £1 each | <u>1,000,000</u> | <u>1,000,000</u> |

The preference shares are redeemable at any time 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 coming year, as a result of which these shares have been classified as a liability due in more than one year. The holder of the preference shares is entitled to a 6% annual dividend.

### 22 SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year.

# Sitec Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

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### 23 PROFIT AND LOSS ACCOUNT

|                               | 2012             | 2011             |
|-------------------------------|------------------|------------------|
|                               | £                | £                |
| At the beginning of the year  | 8,149,189        | 7,276,202        |
| Profit for the financial year | 309,069          | 872,987          |
| At the end of the year        | <u>8,458,258</u> | <u>8,149,189</u> |

### 24 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

|                               | 2012             | 2011             |
|-------------------------------|------------------|------------------|
|                               | £                | £                |
| Profit for the financial year | 309,069          | 872,987          |
| Opening shareholder's funds   | 8,405,651        | 7,532,664        |
| Closing shareholder's funds   | <u>8,714,720</u> | <u>8,405,651</u> |

### 25 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate and ultimate parent company is Sitec Investments Limited, which heads the largest and smallest group in which the results of the company are consolidated. The consolidated financial statements of Sitec Investments Limited are available from Companies House, Cardiff. The ultimate controlling party is D J Medlock.