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KEY PERFORMANCE INDICATORS
2012

Introduction

Overall the 2011 results indicated that some of our KPIs were not fulfilling the requirement initially set out, i.e. to measure performance and show continuous improvement. We have therefore made some changes to some of following KPIs which means that a comparison with previous years is not a valid exercise. Details are set out in each individual KPI.

CUSTOMER SATISFACTION

The aim is to monitor customer satisfaction by means of a cross selection of customer satisfaction surveys undertaken by each branch and trading operation. Any low scores, negative comments, or falling trends are under investigation by the Directors. Although we changed the criteria for 2012 we feel this didn't go far enough and for 2013 we have completely overhauled the system and surveys will be sent electronically for the majority of our completed contracts. In addition, to this change in procedure, the survey has been revamped to make it more relevant and concise. Our aim is that, not only will be get more responses, but that they will be more meaningful.

However, for 2012 the existing procedure remained in place and the results, with comparisons are as follows:

Results

Period	No of surveys completed	Overall average	Installation Quality	Programme Compliance	Problem Handling	Safety	Value added to Contract	Employ Again?
2012	**46**	**8.7**	**8.1**	**8.2**	**8.9**	**8.8**	**8.4**	**9.4**
2011	**22**	**8.0**	**7.9**	**7.5**	**7.9**	**8.3**	**7.7**	**8.8**
2010	**41**	**8.5**	**7.7**	**8.2**	**8.8**	**8.9**	**8.1**	**9.4**
2009	**51**	**8.5**	**8.0**	**8.4**	**8.7**	**8.5**	**8.2**	**9.4**
2008	**44**	**8.0**	**7.6**	**7.9**	**7.9**	**8.1**	**7.5**	**9.2**
2007	**85**	**8.4**	**8.1**	**7.9**	**8.7**	**8.6**	**7.7**	**9.4**
2006	**79**	**8.4**	**7.7**	**8.0**	**8.7**	**8.5**	**8.1**	**9.3**

Summary

This is actually an improving result in both category and numbers of responses, compared to last year and the overall average is the best achieved to date. However, it is important to note that a number of branches did not manage to get any surveys completed. The branches that did receive some feedback were: Aberdeen (12), Hull (11), Manchester (7), Aperture (6), Hyflex (5), Leeds (2), Liverpool (2), Newcastle (1).

EMPLOYEE SATISFACTION

Staff

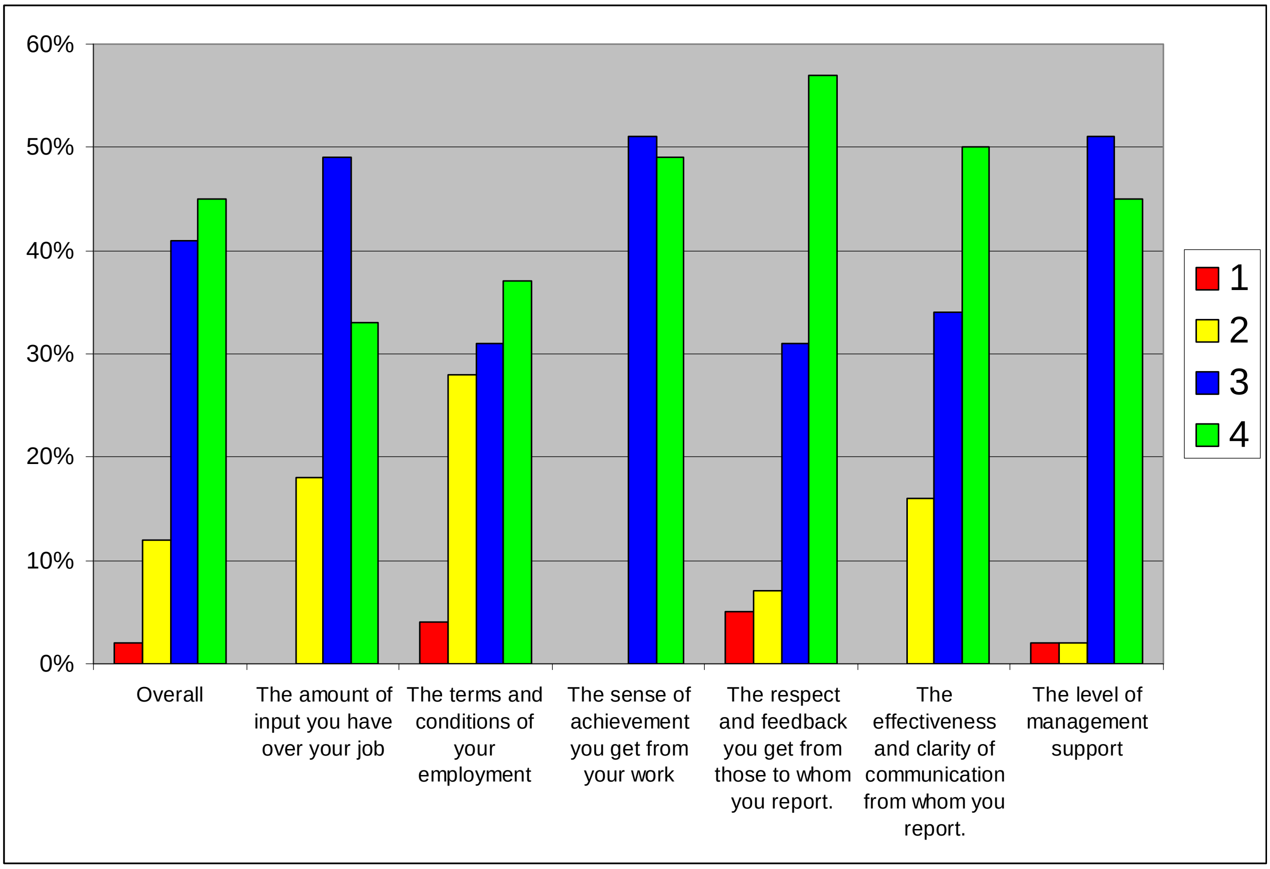
The format of this KPI has changed in line with advice from Investors in People. It is not therefore possible to benchmark 2012 results against previous years.

The changes are as follows:

★ The range of marks has been reduced from 1-10, to 1-4.
★ Instead of using the 1-10 scale to mark poor, satisfactory or excellent in varying stages, the 1-4 scale has definite descriptions against each with the worst being a score of 1 and the best being a score of 4.

The results for each question have been calculated by counting the number of responses for each mark and then presenting the total as a percentage of aggregate score.

A table of the questions, answers and results for employees is attached as Appendix A and these results are illustrated in the graph below.



Summary

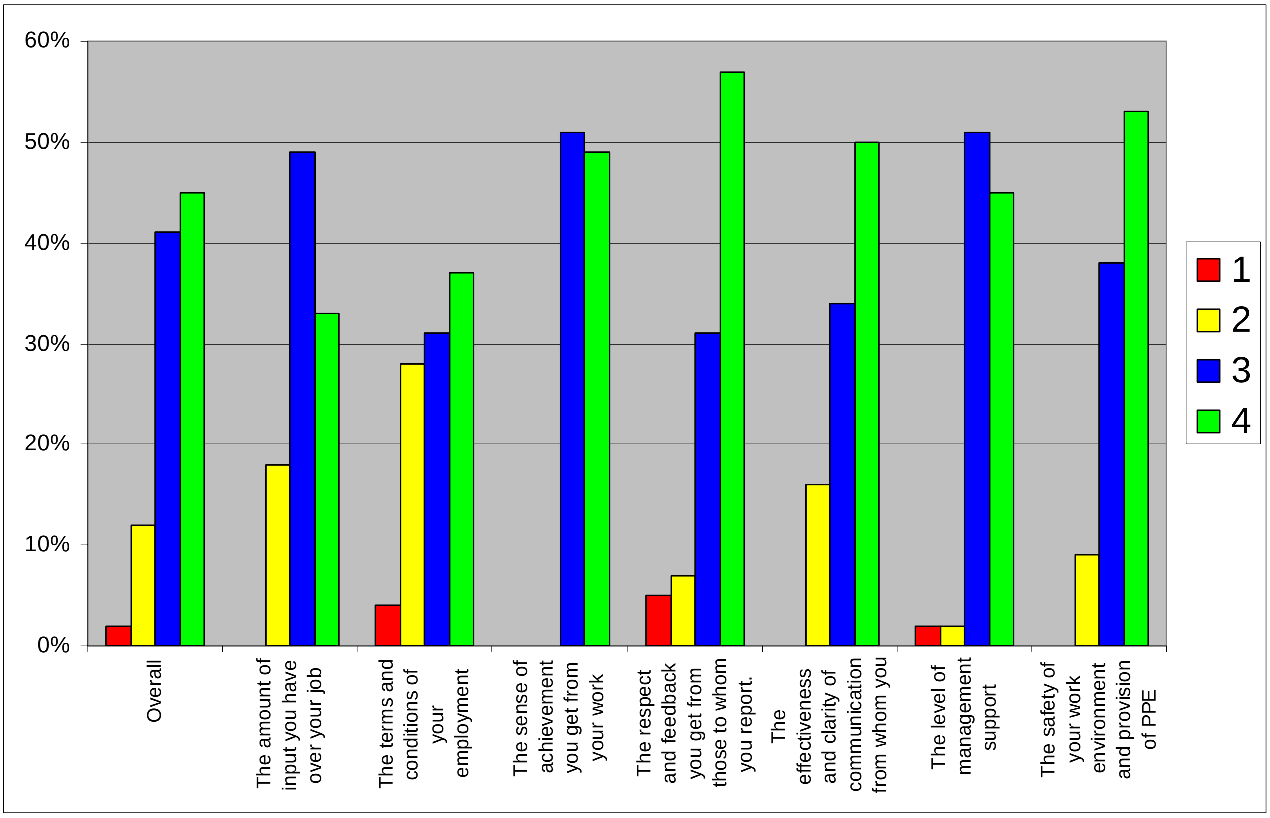
Overall 86% of employees answered 3 or 4 to most questions with only a minority (2%) selecting option 1. There were no low marks in the sense of achievement you get from your work.

Any low scores were discussed with each individual by either HR personnel or by their line manager.

This was a good first result and sets a high benchmark for 2013.

Operative Satisfaction

As with Employee Satisfaction, this has been amended in line with advice from Investors in People. The results are summarised in the graph below, with a table of questions, answers and results attached as Appendix B.



Summary

There were quite a few operatives who did not take the opportunity to respond. However, as with employee satisfaction, the results were generally in the top two sectors (overall 86%) and those which fell into the lower segment have been addressed by the relevant manager.

What is particularly pleasing is that no operatives marked Safety and PPE as 1 with the majority (91%) marking this at either 3 or 4.

Again, this sets a high benchmark for 2013.

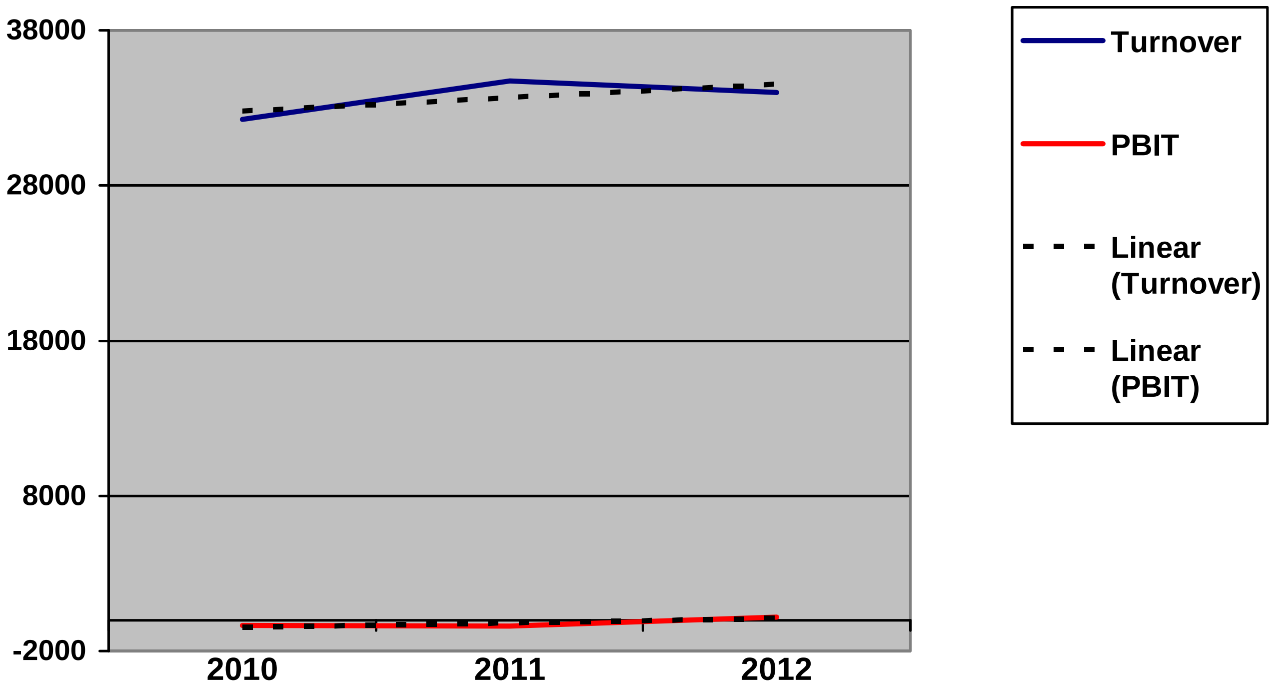
PROFITABILITY

The aim is to show company profit, before interest and tax, as a percentage of sales. Note: There have been some minor adjustments to the 2011 figures.

Results & Annual Comparisons

	2012	2011	2010
Turnover £000	34,009	34,743	32,260
PBIT £000	207	(395)	(364)
%	**0.61%**	**(1.14%)**	**(1.13)**

Trend



Summary

Note: 2011 figures have been amended. Although the economic climate in 2012 was tougher than 2011 and 2010, measures we put in place meant we achieved a small profit.

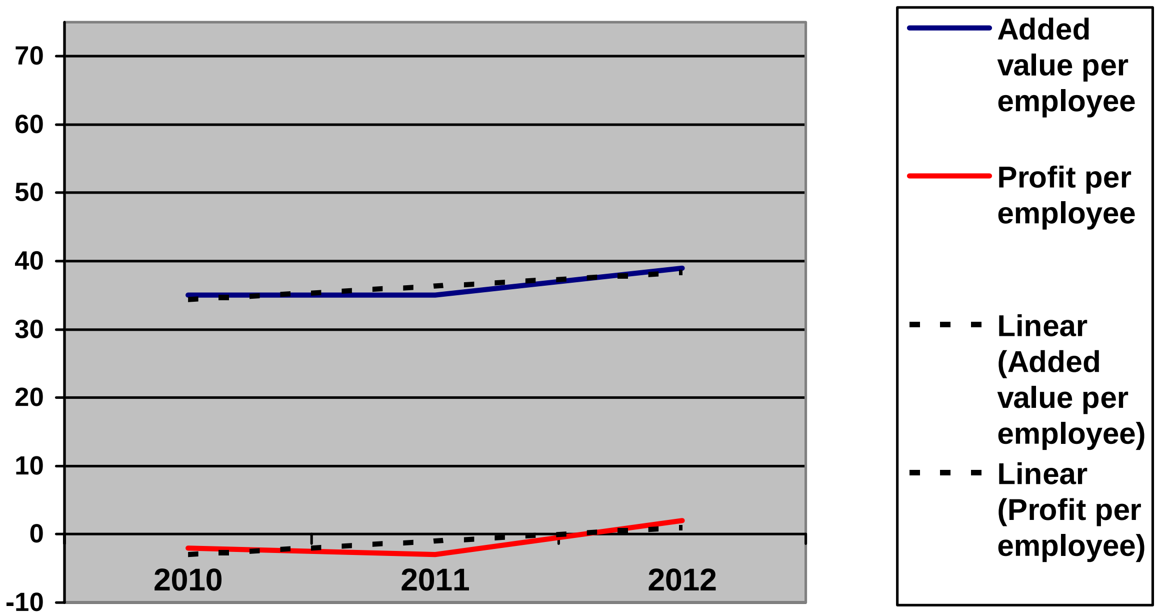
PRODUCTIVITY

The aim is to show company value added (turnover) per employee, excluding operatives.

Results and Annual Comparisons

	2012		2011		2010	
Turnover		**34,009**		34,743		32,260
Total Cost of Sales	(26,943)			(27,348)		(24,909)
Total Overheads		6,859	7,790		7,714	
Less Staff Costs	(4,840)		(5,004)		(4,959)	
		(2,019)		(2,786)		(2,755)
Less Bought out Costs		0		0		0
Profit		5,047		4,609		4,596
No of Employees		124		118		133
Added Value per Employee		41		39		35
Total Staff Costs	4,840		5,004		4,959	
No of Staff	124		118		133	
Cost per Employee		39		42		37
Profit per Employee		**2**		(3)		(2)

Trend



Summary

Note: 2011 figures have been slightly amended. A slow increase is being shown with a move into profit, which we view as an achievement in the current economic climate.

SUPPLY CHAIN

Preferred Supplier Performance Appraisal

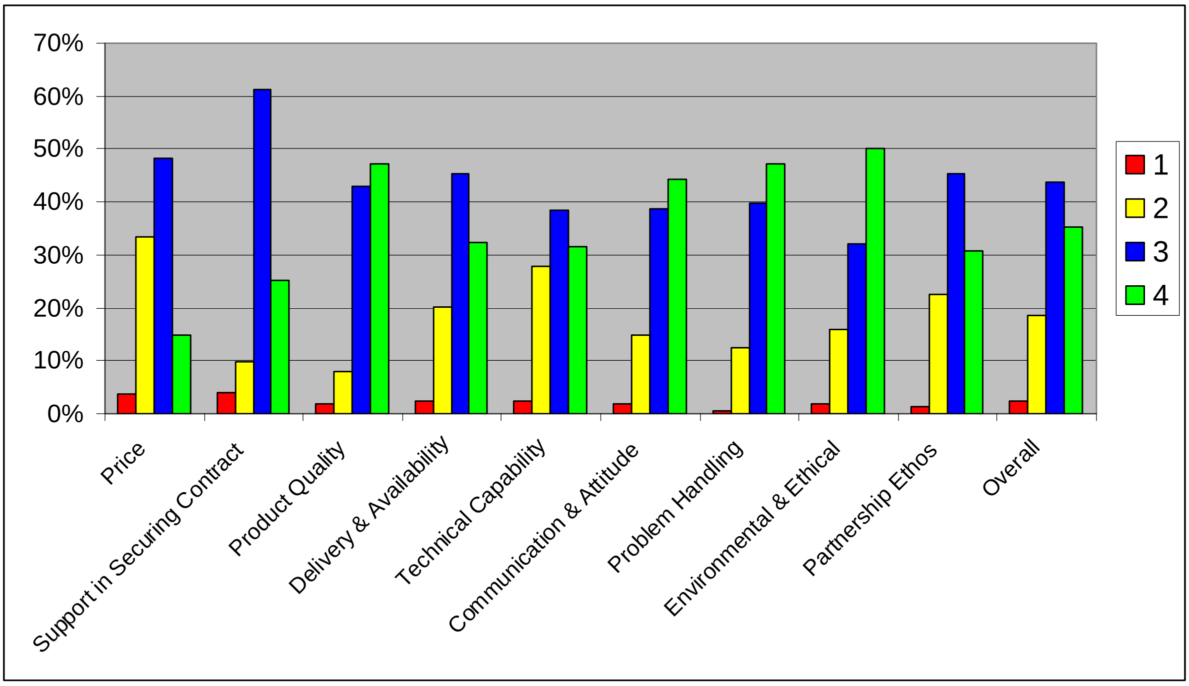
The aim is to measure the performance of our Preferred Suppliers and the relationship between branch and supplier by undertaking an annual appraisal.

This had been done in the same way for a number of years but had stopped being effective due to an over-familiarity with the format and there not being adequate descriptions to facilitate marks from 1 to 10. We decided to keep the essence of the categories to be appraised, but to reduce the responses to 4 with a detailed description for each possible response.

Responders can select one of these options which carry a mark (unseen) from 1 to 4, where 1 is the worst possible answer and 4 is the best. There is an option to comment on each question as well and also to skip the questions if the supplier has not been used.

An appraisal was completed for each preferred supplier and then the number of responders for each category's score was aggregated to get an overall quantifiable percentage for each category. The new appraisal was undertaken using a survey platform which emailed out a link to each potential responder (all branch managers plus selected branch members of staff and directors depending upon the supplier).

The combined results for 2012 are shown graphically below: *(The full set of questions, answers and results are attached as Appendix C.)*



Summary

This proved to be a popular format with all responders completing the appraisal as they could. The results are generally good – with the highest percentages being 3 or 4 on the scale. However, there are some responses which fall into the lower score bracket and these will be addressed over the forthcoming year with the suppliers and branches concerned. The 2012 results have set the benchmark for forthcoming years.

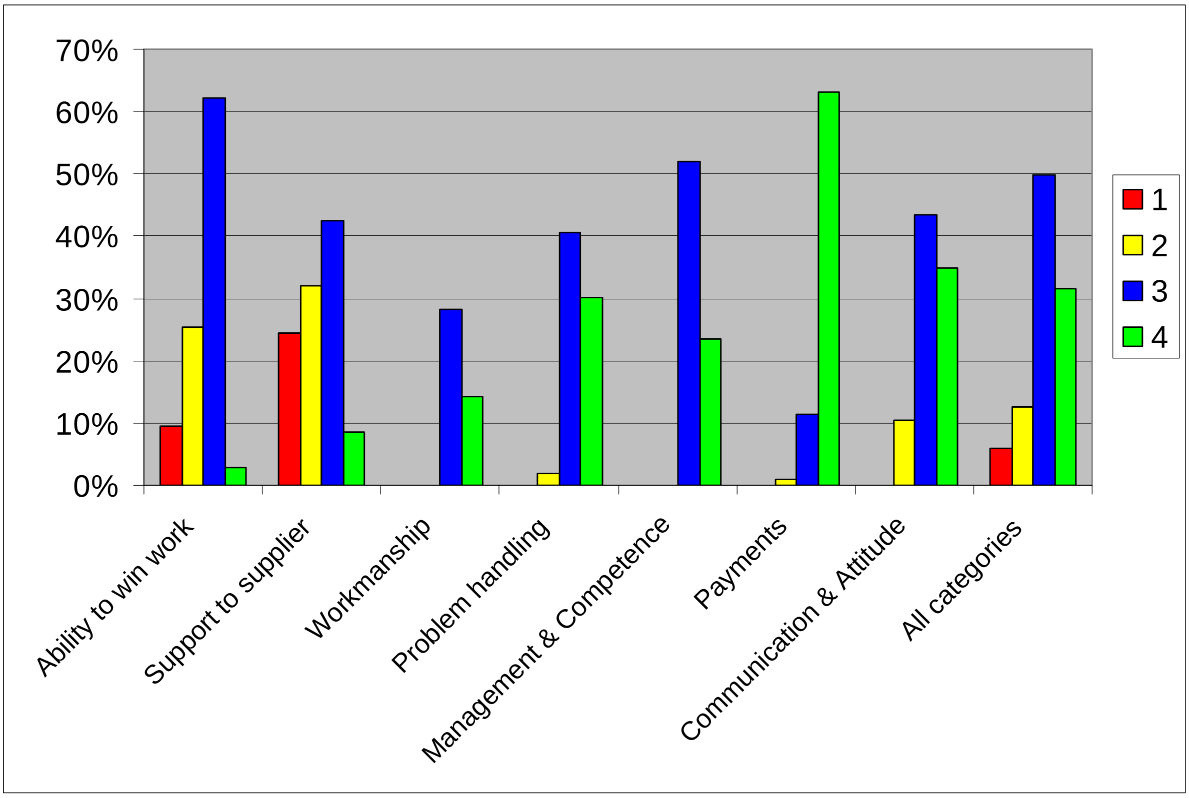
Preferred Supplier Feedback

The aim is to obtain feedback from our Preferred Suppliers and the relationship between supplier and branch by asking a selection of our Preferred Suppliers to undertake an annual appraisal.

A lack of response from some of our suppliers in previous years has been disappointing and to combat this we adopted a similar approach to that of the appraisal, using the same survey platform.

Suppliers were asked to mark each branch for each category. A mark of 1 indicated the poorest score with 4 being the best. Details for all categories are attached as Appendix D, including description of each score per category and number of responses received

The results of the survey are shown graphically below.



Summary

Although we did receive a few more replies than on previous surveys, we did not get the response anticipated, which is disappointing and will need to be addressed for next year.

In total, we had 14 surveys returned, but not all responders answered every question. In particular "Workmanship" was often left blank as suppliers did not feel they could comment on the quality of our work.

The only two categories marked with the lowest score of 1 were "Ability to Win Work/Market Share" and "Support to Supplier". It is possible there is a connection which can be investigated to see how these scores might be improved.

In general, this is a positive outcome for the first survey and sets the benchmark for forthcoming years.

SAFETY

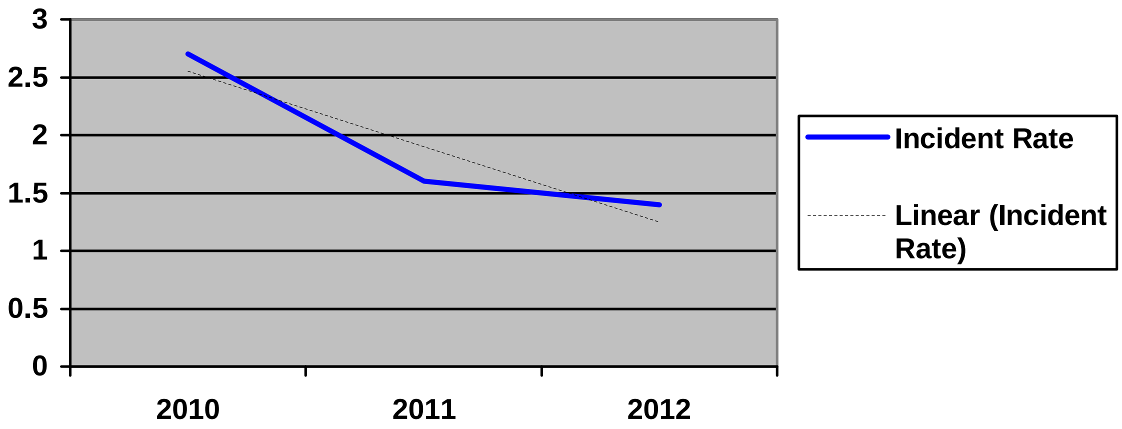
Reports and statistics are provided quarterly by Safety Advisers and accident statistics are published annually on the company intranet. Incidents are analysed by branch and by type of incident.

In 2012 our incident rate (reportable accidents per 100 employees) was 1.4

In 2011 it was 1.6
In 2010 it was 2.7

Note: 2011 onwards excludes all sub-contractor incidents.

Trend



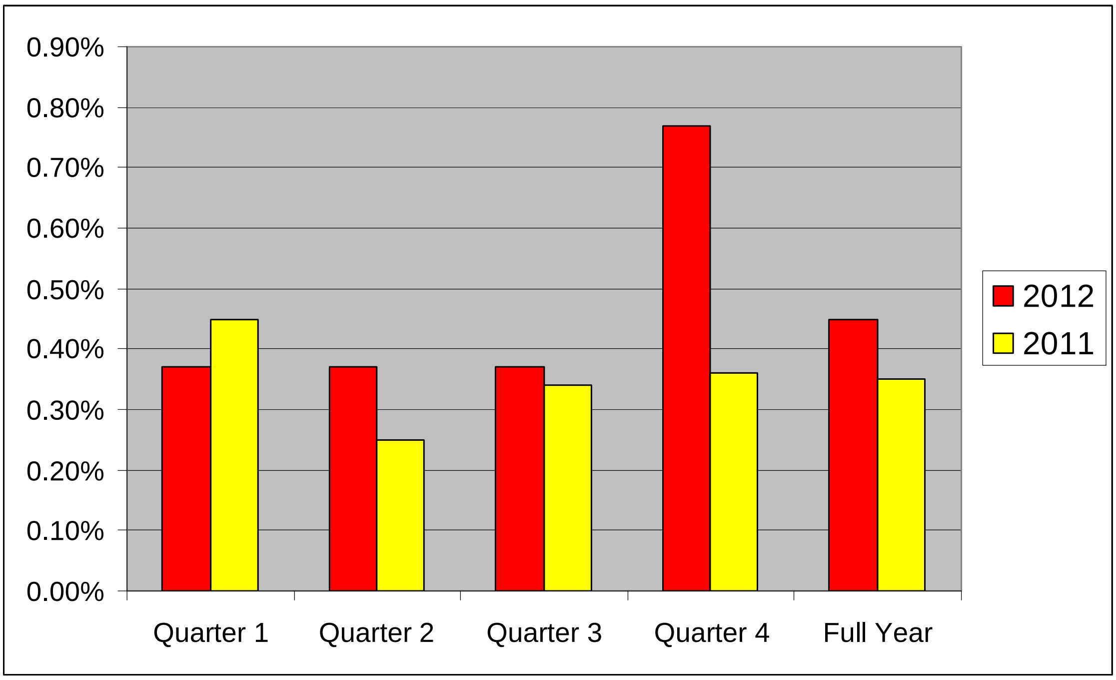
Summary

This is a positive downward trend and sets a challenging benchmark for 2013.

ENVIRONMENT

As part of our ISO 14001 accreditation we have identified our usage of propane gas as something which we can attempt to reduce.

The full calculation is attached as Appendix E, but in summary we have taken our quantities of gas purchased and assessed them against turnover in that period (turnover is adjusted to exclude operations which do not use propane gas).



% of propane gas used against applicable turnover

Summary

One of the difficulties of assessing this usage is that it can be weather dependent as we use more gas in wet weather. We therefore expect higher usage in the wetter/colder months than in the warmer/drier months.

However, the weather patterns over the past few years have been unusual. Statistics from the Met Office show that 2012 was the second wettest year on record since 1910. Total rainfall for the UK in 2012 was 1330.7mm against an annual average (1981-2010) of 1154.0mm. This does not look tremendously higher than average, but the wet weather persisted from April through to December, with April and June both being the wettest on record.

This extended wet weather pattern does not facilitate a reduction in gas usage.

The Met Office suggests this could become a typical weather pattern in years to come and we therefore have set 2012 as our benchmark for future years.

PROCESS EVALUATION

Incorporated within our formal Quality Procedures.

APPENDIX A : EMPLOYEE SATISFACTION RESULTS

The amount of input you have over your job	I have very little input over my job	I feel capable of having more input over my job	I am comfortable with the amount of input I have over my job	I am very happy with the amount of input I have over my job
Number of responses	0	10	28	19
Total number of responses	57			
Percentage	0%	18%	49%	33%

The Terms & Conditions of your employment	I am unhappy with the T&C of my employment	I feel there is room for improvement	I feel they are adequate for my role and contribution	I am satisfied with them
Number of responses	2	16	18	21
Total number of responses	57			
Percentage	4%	28%	32%	37%

The sense of achievement you get from your work	I get no sense of achievement	My job doesn't provide much opportunity for individual sense of achievement	I get a moderate sense of achievement	I get a very good sense of achievement
Number of responses	0	0	29	28
Total number of responses	57			
Percentage	0%	0%	51%	49%

The respect and feedback you get from those to whom you report	I do not feel I get the respect and feedback my contribution deserves	I feel the respect I receive is appropriate to my position	I am happy with the respect I get but receive little feedback	I am very happy with the level of respect and feedback I receive
Number of responses	3	4	18	33
Total number of responses	58			
Percentage	5%	7%	31%	57%

The effectiveness and clarity of communication from whom you report	I feel the clarity of communication is very poor	I feel that the clarity of communication is inconsistent	The effectiveness and clarity of communication is sufficient	The communication is clear and allows me to carry out my job efficiently
Number of responses	0	9	20	29
Total number of responses	58			
Percentage	0%	16%	34%	50%

The level of management support	I feel I get no support from my manager	I get little support from my manager	I get support when I ask for it	I always get the support I need in order to complete my job well
Number of responses	1	1	30	26
Total number of responses	58			
Percentage	2%	2%	52%	45%

All categories	1 (lowest)	2	3	4 (highest)
Number of responses	6	40	143	156
Total number of responses	345			
Percentage	2%	12%	41%	45%

APPENDIX B : OPERATIVE SATISFACTION

The amount of input you have over your job	I have very little input over my job	I feel capable of having more input over my job	I am comfortable with the amount of input I have over my job	I am very happy with the amount of input I have over my job
Number of responses	1	5	23	5
Total number of responses	34			
Percentage	3%	15%	68%	15%

The Terms & Conditions of your employment	I am unhappy with the T&C of my employment	I feel there is room for improvement	I feel they are adequate for my role and contribution	I am satisfied with them
Number of responses	3	8	19	25
Total number of responses	55			
Percentage	5%	15%	35%	45%

The sense of achievement you get from your work	I get no sense of achievement	My job doesn't provide much opportunity for individual sense of achievement	I get a moderate sense of achievement	I get a very good sense of achievement
Number of responses	2	5	13	35
Total number of responses	55			
Percentage	4%	9%	24%	64%

The respect and feedback you get from those to whom you report	I do not feel I get the respect and feedback my contribution deserves	I feel the respect I receive is appropriate to my position	I am happy with the respect I get but receive little feedback	I am very happy with the level of respect and feedback I receive
Number of responses	4	11	9	30
Total number of responses	54			
Percentage	7%	20%	17%	56%

The effectiveness and clarity of communication from whom you report	I feel the clarity of communication is very poor	I feel that the clarity of communication is inconsistent	The effectiveness and clarity of communication is sufficient	The communication is clear and allows me to carry out my job efficiently
Number of responses	2	5	19	29
Total number of responses	55			
Percentage	4%	9%	35%	53%

The level of management support	I feel I get no support from my manager	I get little support from my manager	I get support when I ask for it	I always get the support I need in order to complete my job well
Number of responses	1	2	21	30
Total number of responses	54			
Percentage	2%	4%	39%	56%

The safety of your work environment and provision of PPE	I feel very unsafe and have little provision of PPE	I feel fairly safe and have adequate PPE provisions	I feel safe within my work environment and have plenty of PPE provisions	I feel very safe within my work environment and always have more than enough PPE provisions
Number of responses	0	5	21	29
Total number of responses	55			
Percentage	0%	9%	38%	53%

All categories	1 (lowest)	2	3	4 (highest)
Number of responses	13	41	125	183
Total number of responses	362			
Percentage	4%	11%	35%	51%

APPENDIX C : PREFERRED SUPPLIER APPRAISAL

PRICE	Prices are not competitive	Prices in line with market, but not preferential	Prices are lower than market, but non-negotiable	Prices are lower than market and negotiatibe
Number of responses	8	72	104	32
Total number of responses	216			
Percentage	4%	33%	48%	15%

SUPPORT IN SECURING CONTRACT	Not helpful or proactive. Tend to favour our cometitors	Interested in large, prestige contracts only	Will offer solutions when asked	Work in partnership to help us win work
Number of responses	8	20	126	52
Total number of responses	206			
Percentage	4%	10%	61%	25%

PRODUCT QUALITY	A number of quality issues which are not resolved satisfactorily	A few quality issues which take a long time to resolve.	A few quality issues, but they are resolved effectively	Very few quality issues, but they are resolved quickly, effectively and with measures put in place to avoid them in the future.
Number of responses	4	16	87	96
Total number of responses	203			
Percentage	2%	8%	43%	47%

DELIVERY & AVAILABILITY	Choice of product not always available. No substitutions offered.	Choice of product sometimes unavailable, but substitutions offered.	Choice of product usually available and delivered on time	Choice of product always available and delivered on time.
Number of responses	5	43	97	69
Total number of responses	214			
Percentage	2%	20%	45%	32%

TECHNICAL CAPABILITY	Very basic knowledge, not expert	Reasonable knowledge of own industry sector	Good knowledge of own industry sector	Excellent knowledge of industry sector. Proactive in finding roofing specific solutions
Number of responses	5	61	84	69
Total number of responses	219			
Percentage	2%	28%	38%	32%

COMMUNICATION & ATTITUDE	Dismissive and unhelpful	Variable depending on the person. Generally acceptable, but uninspiring	Courteous and helpful. Could be more open	Helpful, friendly and pro-active on all levels
Number of responses	4	32	83	95
Total number of responses	214			
Percentage	2%	15%	39%	44%

PROBLEM HANDLING	Negative. Does not respond	Slow to respond and not always effectively	Responds quickly, but not always effectively	Reacts well to problems and works quickly to resolve them, escalating upwards if necessary
Number of responses	1	22	71	84
Total number of responses	178			
Percentage	1%	12%	40%	47%

ENVIRONMENTAL & ETHICAL	Poor, no signs of working towards achieving any form of accreditation or policy	Limited knowledge and not proactive in looking for solutins, e.g. recycling of waste	Working towards accreditations and with policies in place. Will look at environmental solutions if asked.	Accredited to ISO 14001. Full CSR policy. Proactive in looking for "green" solutions.
Number of responses	3	25	50	78
Total number of responses	156			
Percentage	2%	16%	32%	50%

PARTNERSHIP ETHOS	We are seen as a nuisance customer - demanding much for little spend	We are seen as a category B customer - medium value and importance	We are seen as a category A customer, but not a true partner.	We are seen as a true partner. Our value to the supplier is high.
Number of responses	2	34	68	46
Total number of responses	150			
Percentage	1%	23%	45%	31%

OVERALL	1 (LOWEST)	2	3	4 (HIGHEST)
Number of responses	40	325	770	621
Total number of responses	1756			
Percentage	2%	19%	44%	35%

APPENDIX D: PREFERRED SUPPLIER FEEDBACK

ABILITY TO WIN WORK/MARKET SHARE	Low profile not overly successful at winning work	Medium profile but faces strong competition	High profile but not always first choice	Market leader - the number one choice
Number of responses	10	27	66	3
Total number of responses	106			
Percentage	9%	25%	62%	3%

SUPPORT TO SUPPLIER	No support or enquiries.	A few enquiries, but only when we are specified.	Usually your first choice with a few exceptions.	We feel we are always your first choice and that you support us in winning the work.
Number of responses	26	34	45	9
Total number of responses	114			
Percentage	25%	32%	42%	8%

WORKMANSHIP	Poor and unacceptable standard.	Often below acceptable standard.	Generally good with occasional defects.	Excellent and defect free.
Number of responses	0	0	30	15
Total number of responses	45			
Percentage	0%	0%	28%	14%

PROBLEM HANDLING	Uncooperative and aggressive.	Indifferent - not proactive in helping resolve any problems.	Reasonably helpful and cooperative.	Pro-active and supportive.
Number of responses	0	2	43	32
Total number of responses	77			
Percentage	0%	2%	41%	30%

MANAGEMENT & COMPETENCE	Incompetent and unprofessional.	Generally not in control.	Good, with some weaknesses	Completely focussed and in control.
Number of responses	0	0	55	25
Total number of responses	80			
Percentage	0%	0%	52%	24%

PAYMENTS	Always pay very late, not proactive in resolving disputed invoices.	Usually pay late by a few days, very slow to resolve disputes.	Occasionally pay late by a few days, disputed invoices are resolved within a reasonable timeframe.	Always pay to terms with fast and proactive resolution of disputes.
Number of responses	0	1	12	67
Total number of responses	80			
Percentage	0%	1%	11%	63%

COMMUNICATION & ATTITUDE	Negative and uncommunicativ e.	Only a few personnel are interested.	Most personnel willing and cooperative.	All personnel willing and cooperative. We feel a true relationship exists between our companies.
Number of responses	0	11	46	37
Total number of responses	94			
Percentage	0%	10%	43%	35%

ALL CATEGORIES	Mark 1 (lowest)	Mark 2	Mark 3	Mark 4 (highest)
Number of responses	36	75	297	188
Total number of responses	596			
Percentage	6%	13%	50%	32%

APPENDIX E – ENVIRONMENTAL

PROPANE GAS - CALCULATION 2011					
	2011 Q1	**2011 Q2**	**2011 Q3**	**2011 Q4**	**Total**
Via Calor	21,618	14,759	27,409	28,304	92,090
Via SIGRS	4,379	1,596	2,754	2,751	11,480
	25,997	**16,355**	**30,163**	**31,055**	**103,570**
	2011 Q1	**2011 Q2**	**2011 Q3**	**2011 Q4**	**Total**
Turnover	7,107,000	7,572,000	10,107,000	9,957,000	34,743,000
Hyflex/Aperture T/o	1,302,000	1,141,000	1,231,000	1,413,000	5,087,000
T/O exc Hyflex/Aperture (adjusted)	5,805,000	6,431,000	8,876,000	8,544,000	29,656,000
% usage on total turnover	0.37%	0.22%	0.30%	0.31%	0.30%
% usage on adjusted turnover	0.45%	0.25%	0.34%	0.36%	0.35%
	2011 Q1	**2011 Q2**	**2011 Q3**	**2011 Q4**	**Total**
Propane Gas purchased (kg)	25,997	16,355	30,163	30,164	103,570
% usage of propane gas against Adjusted Turnover	0.45%	0.25%	0.34%	0.36%	0.35%
PROPANE GAS - CALCULATION 2012					
	2012 Q1	**2012 Q2**	**2012 Q3**	**2012 Q4**	**Total**
Via Calor	24,548	20,677	22,893	31,509	99,627
Via SIGRS	3,134	4,431			7,565
	27,682	**25,108**	**22,893**	**31,509**	**107,192**
	2012 Q1	**2012 Q2**	**2012 Q3**	**2012 Q4**	**Total**
Turnover	8,526,000	7,890,000	8,825,000	8,768,000	34,009,000
Hyflex/Aperture T/o	1,140,000	1,047,000	3,433,000	4,695,000	10,315,000
T/O exc Hyflex/Aperture (adjusted)	7,386,000	6,843,000	5,392,000	4,073,000	23,694,000
% usage on total turnover	0.32%	0.32%	0.26%	0.36%	0.32%
% usage on adjusted turnover	0.37%	0.37%	0.42%	0.77%	0.45%
	2012 Q1	**2012 Q2**	**2012 Q3**	**2012 Q4**	
Propane Gas purchased (kg)	27,682	25,108	22,893	31,509	107,192
% usage of propane gas against Adjusted Turnover	0.37%	0.37%	0.42%	0.77%	0.45%