

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001
FOR
TERMIRIM CONSTRUCTION LIMITED

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TERMRIM CONSTRUCTION LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2001**

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TERMRIM CONSTRUCTION LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2001

DIRECTORS:

P J Patrick
Mrs R S Patrick
D R Bray
A J Patrick
G C Bird

SECRETARY:

Mrs R S Patrick

REGISTERED OFFICE:

21 Old Leeds Road
Huddersfield
Yorkshire
HD1 1SG

REGISTERED NUMBER:

1263512

AUDITORS:

wbs
Registered Auditor
Chartered Accountants
21-27 St. Paul's Street
Leeds
LS1 2ER

TERMRIM CONSTRUCTION LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their report with the financial statements of the company for the year ended 31 December 2001.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of contracting in the construction industry.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIRECTORS

The directors during the year under review were:

P J Patrick
Mrs R S Patrick
D R Bray
A J Patrick
G C Bird (appointed 1 October 2001)

The beneficial interests of the directors holding office on 31 December 2001 in the issued share capital of the ultimate parent company were as follows:

Ordinary £1 shares	31.12.01	1.1.00
P J Patrick	25,000	25,000
Mrs R S Patrick	25,000	25,000
D R Bray	-	-
A J Patrick	-	-
G C Bird	-	-

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

AUDITORS

On 1 September 2001, Wilson Braithwaite Scholey changed its name to wbs and the audit report is signed in the new name.

TERMRIM CONSTRUCTION LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2001**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'AJP' followed by a stylized flourish.

A J Patrick - DIRECTOR

Dated: 12 March 2002

TERMRIM CONSTRUCTION LIMITED

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
TERMRIM CONSTRUCTION LIMITED**

We have audited the financial statements of Termrim Construction Limited for the year ended 31 December 2001 on pages five to ten. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



wbs
Registered Auditor
Chartered Accountants
21-27 St. Paul's Street
Leeds
LS1 2ER

Dated: 19 March 2002

TERMRIM CONSTRUCTION LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001**

		<u>2001</u>	<u>2000</u>
	Notes	£	£
TURNOVER		8,535,751	5,937,669
Cost of sales		<u>(7,523,355)</u>	<u>(5,148,083)</u>
GROSS PROFIT		1,012,396	789,586
Administrative expenses		<u>(761,346)</u>	<u>(687,340)</u>
		251,050	102,246
Other operating income		<u>4,338</u>	<u>8,305</u>
OPERATING PROFIT	2	255,388	110,551
Interest receivable and similar income		<u>22,309</u>	<u>16,018</u>
		277,697	126,569
Interest payable and similar charges		<u>(1,168)</u>	<u>(1,281)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		276,529	125,288
Tax on profit on ordinary activities	3	<u>(64,087)</u>	<u>(25,209)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		212,442	100,079
Dividends	4	<u>(140,000)</u>	<u>-</u>
		72,442	100,079
Retained profit brought forward		<u>486,556</u>	<u>386,477</u>
RETAINED PROFIT CARRIED FORWARD		<u>£558,998</u>	<u>£486,556</u>

The notes form part of these financial statements

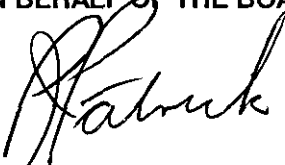
TERMRIM CONSTRUCTION LIMITED

**BALANCE SHEET
31 DECEMBER 2001**

		<u>2001</u>	<u>2000</u>
	Notes	£	£
FIXED ASSETS:			
Tangible assets	5	41,025	40,115
Investments	6	9,797	9,797
		<u>50,822</u>	<u>49,912</u>
 CURRENT ASSETS:			
Debtors	7	1,181,366	819,604
Cash at bank and in hand		749,415	514,976
		1,930,781	1,334,580
CREDITORS: Amounts falling due within one year	8	(1,422,505)	(897,836)
 NET CURRENT ASSETS:		<u>508,276</u>	<u>436,744</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>£559,098</u>	<u>£486,656</u>
 CAPITAL AND RESERVES:			
Called up share capital	10	100	100
Profit and loss account		558,998	486,556
 SHAREHOLDERS' FUNDS:		<u>£559,098</u>	<u>£486,656</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

ON BEHALF OF THE BOARD:



P J Patrick - DIRECTOR

Approved by the Board on 12 March 2002

TERMRIM CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Hire purchase and leasing commitments

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2001 £	2000 £
Depreciation - owned assets	7,488	7,706
Loss on disposal of fixed assets	-	2,695
Auditors' remuneration	6,450	6,000
Pension costs	20,741	16,293
	<u>118,970</u>	<u>119,584</u>
Directors' emoluments and other benefits etc		
	<u>118,970</u>	<u>119,584</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	5	5
	<u>5</u>	<u>5</u>

3. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2001 £	2000 £
UK corporation tax	64,087	25,209
	<u>64,087</u>	<u>25,209</u>

UK corporation tax has been charged at 25.14% (2000 - 20%).

TERMRIM CONSTRUCTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

4. DIVIDENDS

	2001 £	2000 £
Paid - £1,400 per share	<u>140,000</u>	<u>-</u>

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Motor vehicles	Totals
	£	£	£
COST:			
At 1 January 2001	82,510	20,228	102,738
Additions	<u>8,398</u>	<u>-</u>	<u>8,398</u>
At 31 December 2001	<u>90,908</u>	<u>20,228</u>	<u>111,136</u>
DEPRECIATION:			
At 1 January 2001	44,502	18,121	62,623
Charge for year	<u>6,961</u>	<u>527</u>	<u>7,488</u>
At 31 December 2001	<u>51,463</u>	<u>18,648</u>	<u>70,111</u>
NET BOOK VALUE:			
At 31 December 2001	<u>39,445</u>	<u>1,580</u>	<u>41,025</u>
At 31 December 2000	<u>38,008</u>	<u>2,107</u>	<u>40,115</u>

6. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 January 2001	
and 31 December 2001	<u>9,797</u>
NET BOOK VALUE:	
At 31 December 2001	<u>9,797</u>
At 31 December 2000	<u>9,797</u>
	2001
	£
Investments listed on recognised stock exchange	<u>9,797</u>

Market value of listed investments at 31 December 2001 - £6,958 (2000 - £7,431).

TERMRIM CONSTRUCTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

**7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2001 £	2000 £
Trade debtors	1,018,093	610,913
Other debtors	7,115	19,143
Prepayments & accrued income	57,370	63,441
Amount owed by group undertaking	98,788	126,107
	<u>1,181,366</u>	<u>819,604</u>

**8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2001 £	2000 £
Trade creditors	1,249,440	803,093
Other creditors	169	945
Social security & other taxes	49,157	43,076
Taxation	64,087	25,209
Accrued expenses	59,652	25,513
	<u>1,422,505</u>	<u>897,836</u>

9. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	2001 £	2000 £
Expiring:		
Within one year	23,612	13,984
Between one and five years	50,856	79,135
	<u>74,468</u>	<u>93,119</u>

10. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2001 £	2000 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

On 12 March 2002 a special resolution was passed to increase the authorised share capital of the company by £49,900 to £50,000, and to allot 9,900 shares by a bonus issue of 100 shares for each existing share held.

11. ULTIMATE PARENT COMPANY

The directors regard Patrick Construction (Holdings) Limited as being the company's ultimate parent company at 31 December 2001.

TERMRIM CONSTRUCTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

12. RELATED PARTY DISCLOSURES

Control relationship

The company was controlled throughout the current and previous year by two of its directors, P.J.Patrick and Mrs R.S.Patrick, by virtue of the fact that between them they held all the ultimate parent company's share capital.

Transactions and balances

£21,000 has been charged in the accounts in respect of management charges payable to the company's ultimate parent company. Included in debtors at note 7 is an amount of £98,788 due from the company's ultimate parent company at 31 December 2001.