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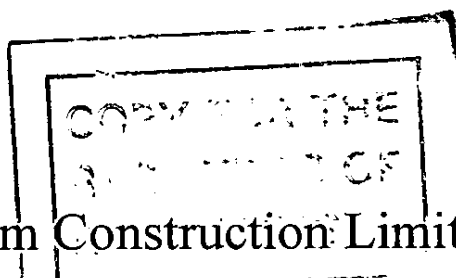
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Termrim Construction Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2008

Registration number: 1263512

Termrim Construction Limited

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The following pages do not form part of the statutory financial statements:

Detailed profit and loss account	16 to 18
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Termrim Construction Limited
Officers and Advisers

Directors	G C Bird S J Taylor Ms J S Patrick
Secretary	Ms B J Rockett
Registered office	1 Pellon Place Bradley Business Park Dyson Wood Way Huddersfield HD2 1GT
Bankers	National Westminster Bank Plc 8 Market Place Huddersfield HD1 2AL
Auditors	RSM Bentley Jennison Chartered Accountants & Registered Auditors 2 Wellington Place Leeds LS1 4AP

Termrim Construction Limited
Directors' Report for the Year Ended 31 December 2008

The directors present their report and the audited financial statements for the year ended 31 December 2008.

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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 enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Principal activity

The principal activity of the company is that of contracting in the construction industry.

Business review

The company's major activities include newbuild and refurbishment contracts principally for private clients and Housing Association clients in the residential and commercial sectors.

The turnover for 2008 was £10.3m an increase of £0.2m on 2007 and pre-tax profits reduced by £283k on 2007

The reduction in pre-tax profits can in the main be attributed to the slowing economic conditions.

Return on capital employed was 26.92% compared with 39.80% in 2007.

Results and dividend

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year were as follows:

- G C Bird
- S J Taylor
- Ms J S Patrick

Termrim Construction Limited
Directors' Report for the Year Ended 31 December 2008

..... *continued*

Approved by the Board and signed on its behalf by:

..... *B. J. Rockett*

Ms B J Rockett
Company Secretary

Date:..... *24.4.09*

Independent Auditors' Report to the Members of Termrim Construction Limited

We have audited the financial statements of Termrim Construction Limited for the year ended 31 December 2008 set out on pages 5 to 15. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our 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 described in the statement of Directors' responsibilities on page 2, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

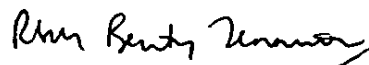
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



RSM Bentley Jennison
Chartered Accountants & Registered Auditors

Date: 27/04/09

2 Wellington Place
Leeds
LS1 4AP

Termrim Construction Limited
Profit and Loss Account for the Year Ended 31 December 2008

	Note	2008 £	2007 £
Turnover		10,267,418	10,106,439
Cost of sales		(8,108,054)	(7,689,065)
Gross profit		<u>2,159,364</u>	<u>2,417,374</u>
Administrative expenses		(1,035,810)	(1,074,355)
Other operating income	2	26,181	44,341
Operating profit	3	<u>1,149,735</u>	<u>1,387,360</u>
Interest receivable and similar income		146,836	195,453
Interest payable and similar charges	6	(6,619)	(10,312)
Profit on ordinary activities before taxation		<u>1,289,952</u>	<u>1,572,501</u>
Tax on profit on ordinary activities	7	(372,134)	(478,863)
Profit for the financial year	14	<u><u>917,818</u></u>	<u><u>1,093,638</u></u>

Turnover and operating profit derive wholly from continuing operations.

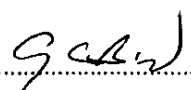
The company has no recognised gains or losses for the year other than the results above.

The notes on pages 8 to 15 form an integral part of these financial statements.

Termrim Construction Limited
Balance Sheet as at 31 December 2008

		2008	2007
	Note	£	£
Fixed assets			
Tangible assets	9	49,790	83,848
Current assets			
Debtors	10	4,564,007	3,513,441
Cash at bank and in hand		3,018,181	3,002,582
		<u>7,582,188</u>	<u>6,516,023</u>
Creditors: Amounts falling due within one year	11	<u>(3,229,236)</u>	<u>(3,114,019)</u>
Net current assets		<u>4,352,952</u>	<u>3,402,004</u>
Total assets less current liabilities		4,402,742	3,485,852
Provisions for liabilities	12	<u>(9,887)</u>	<u>(10,815)</u>
Net assets		<u>4,392,855</u>	<u>3,475,037</u>
Capital and reserves			
Called up share capital	13	10,000	10,000
Profit and loss account	14	4,382,855	3,465,037
Equity shareholders' funds	15	<u>4,392,855</u>	<u>3,475,037</u>

Approved by the Board on 24/4/09 and signed on its behalf by:



G C Bird
 Director

The notes on pages 8 to 15 form an integral part of these financial statements.

Termrim Construction Limited
Cash Flow Statement for the Year Ended 31 December 2008

		2008		2007	
	Note	£	£	£	£
Net cash flow from operating activities	18		350,734		615,343
Returns on investment and servicing of finance	19		140,217		185,141
Taxation					
Taxation paid		(564,000)		(688,411)	
Taxation refund		<u>83,908</u>		<u>-</u>	
			(480,092)		(688,411)
Capital expenditure and financial investment	19		4,740		(20,404)
Equity dividends paid			<u>-</u>		<u>(300,000)</u>
Net cash flow			<u><u>15,599</u></u>		<u><u>(208,331)</u></u>

Reconciliation of net cash flow to movement in net debt

		2008	2007
	Note	£	£
Increase/(decrease) in cash in the year	20	<u>15,599</u>	<u>(208,331)</u>
Change in net debt resulting from cash flows		15,599	(208,331)
Net funds at the start of the year	20	<u>3,002,582</u>	<u>3,210,913</u>
Net funds at the end of the year	20	<u><u>3,018,181</u></u>	<u><u>3,002,582</u></u>

Termrim Construction Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

These financial statements have been prepared on a going concern basis.

Turnover

Turnover represents amounts invoiced, net of value added tax, in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

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

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Operating leases

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

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Other operating income

	2008	2007
	£	£
Other income	<u>26,181</u>	<u>44,341</u>

Termrim Construction Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

..... continued

3 Operating profit

Operating profit is stated after charging:

	2008 £	2007 £
Hire of plant and machinery (Spot hire)	246,191	239,851
Hire of other assets (Operating leases)	98,563	90,899
The audit of the company's annual accounts	9,000	10,250
Loss on sale of tangible fixed assets	224	1,623
Depreciation of owned tangible fixed assets	13,259	15,885

4 Particulars of employees

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

	2008 No.	2007 No.
Direct and contracting	44	45
Directors, management and administration	34	37
	<u>78</u>	<u>82</u>

The aggregate payroll costs of these persons were as follows:

	2008 £	2007 £
Wages and salaries	2,324,019	2,314,619
Social security	175,782	183,878
Other pension costs	15,824	24,100
	<u>2,515,625</u>	<u>2,522,597</u>

5 Directors' emoluments

The directors' emoluments for the year are as follows:

	2008 £	2007 £
Directors' emoluments (including benefits in kind)	213,417	259,995
Directors' pension contributions	4,379	14,081
	<u>217,796</u>	<u>274,076</u>

During the year the number of directors who were accruing benefits under company pension schemes was as follows:

	2008 No.	2007 No.
Money purchase	<u>3</u>	<u>4</u>

Termrim Construction Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

..... continued

6 Interest payable and similar charges

	2008 £	2007 £
Bank interest payable	-	61
Other interest payable	6,619	10,251
	<u>6,619</u>	<u>10,312</u>

7 Taxation

Analysis of current period tax charge

	2008 £	2007 £
Current tax		
Corporation tax charge	373,062	476,092
(Over)/under provision in previous year	-	2,332
UK Corporation tax	<u>373,062</u>	<u>478,424</u>
Deferred tax		
Origination and reversal of timing differences	(1,009)	1,238
Deferred tax adjustment relating to previous years	81	(799)
Total deferred tax	<u>(928)</u>	<u>439</u>
Total tax on profit on ordinary activities	<u>372,134</u>	<u>478,863</u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2007 - higher than) the standard rate of corporation tax in the UK of 28.00% (2007 - 30.00%).

The differences are reconciled below:

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>1,289,952</u>	<u>1,572,501</u>
Standard rate corporation tax charge	361,187	471,750
Expenses not deductible for tax purposes (including goods)	4,397	6,353
Accelerated capital allowances	1,009	(2,011)
Marginal relief	6,469	-
Prior year adjustment	-	2,332
Total current tax for the year	<u>373,062</u>	<u>478,424</u>

Termrim Construction Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

..... continued

8 Dividends

	2008 £	2007 £
Equity dividends		
Paid	-	300,000

9 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
As at 1 January 2008	188,969	28,447	217,416
Additions	296	-	296
Disposals	(25,786)	(28,447)	(54,233)
As at 31 December 2008	163,479	-	163,479
Depreciation			
As at 1 January 2008	112,059	21,509	133,568
Eliminated on disposals	(9,951)	(23,187)	(33,138)
Charge for the year	11,581	1,678	13,259
As at 31 December 2008	113,689	-	113,689
Net book value			
As at 31 December 2008	49,790	-	49,790
As at 31 December 2007	76,910	6,938	83,848

10 Debtors

	2008 £	2007 £
Trade debtors	492,135	298,129
Amounts owed by group undertakings	3,893,088	3,028,664
Other debtors	43,263	46,730
Prepayments and accrued income	135,521	139,918
	4,564,007	3,513,441

Termrim Construction Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

..... continued

11 Creditors: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	2,835,723	2,600,031
Corporation tax	89,062	196,092
Social security and other taxes	51,768	48,108
Other creditors	17,092	20,929
Accruals and deferred income	235,591	248,859
	<u>3,229,236</u>	<u>3,114,019</u>

12 Provisions for liabilities

	Deferred tax provision £
As at 1 January 2008	10,815
Deferred tax provision charged to the profit and loss account	(928)
As at 31 December 2008	<u>9,887</u>

13 Share capital

	2008 £	2007 £
Authorised		
Equity		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
Equity		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

14 Reserves

	Profit and loss account £
Balance at 1 January 2008	3,465,037
Transfer from profit and loss account for the year	917,818
Balance at 31 December 2008	<u>4,382,855</u>

Termrim Construction Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

..... continued

15 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit attributable to members of the company	917,818	1,093,638
Dividends	-	(300,000)
	<u>917,818</u>	<u>793,638</u>
Opening equity shareholders' funds	3,475,037	2,681,399
Closing equity shareholders' funds	<u>4,392,855</u>	<u>3,475,037</u>

16 Operating lease commitments

As at 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Other	
	2008 £	2007 £
Within one year	16,012	12,365
Within two and five years	54,402	57,248
	<u>70,414</u>	<u>69,613</u>

17 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £15,824 (2007 - £24,100).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Termrim Construction Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

..... continued

18 Reconciliation of operating profit to operating cash flows

	2008	2007
	£	£
Operating profit	1,149,735	1,387,360
Depreciation, amortisation and impairment charges	13,259	15,885
Loss on disposal of fixed assets	224	1,623
Increase in debtors	(1,034,731)	(421,045)
Increase/(decrease) in creditors	222,247	(368,480)
Net cash inflow from operating activities	<u>350,734</u>	<u>615,343</u>

19 Analysis of cash flows

	2008	2007
	£	£
Returns on investment and servicing of finance		
Other interest paid	(6,619)	(10,312)
Interest received	146,836	195,453
	<u>140,217</u>	<u>185,141</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(296)	(26,904)
Sale of tangible fixed assets	5,036	6,500
	<u>4,740</u>	<u>(20,404)</u>

20 Analysis of net funds

	At start of period	Cash flow	At end of period
	£	£	£
Cash at bank and in hand	<u>3,002,582</u>	<u>15,599</u>	<u>3,018,181</u>

Termrim Construction Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

..... *continued*

21 Related parties

Controlling entity

The directors regard Patrick Construction (Holdings) Limited as being the company's ultimate parent company at 31 December 2008.

The company was controlled throughout the year by its directors.

Related party transactions

An associated undertaking, P J P Construction Limited, a company which trades as a residential developer, charged the company £116,116 for management charges and rent during the year. P J P Construction Limited was invoiced £5,000 for construction work undertaken by Termrim Construction Limited during the year. The amount owing from P J P Construction Limited at 31 December 2008 was £1,419,184.

A fellow subsidiary of Patrick Construction (Holdings) Limited, A Patrick Development Limited, a company which trades as a property developer was invoiced £692,477 for construction work undertaken by Termrim Construction Limited during the year. The amount owing from A Patrick Development Limited at 31 December 2008 was £2,473,904.