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**TERMRIM CONSTRUCTION LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**Company Registration Number 1263512**

**TERMRIM CONSTRUCTION LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

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**TERMRIM CONSTRUCTION LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 31 DECEMBER 2011**

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<b>The board of directors</b>	G C Bird S J Taylor Ms B J Rockett
<b>Company secretary</b>	Ms B J Rockett
<b>Business address</b>	1 Pellon Place Bradley Business Park Dyson Wood Way Huddersfield HD2 1GT
<b>Registered office</b>	1 Pellon Place Bradley Business Park Dyson Wood Way Huddersfield HD2 1GT
<b>Auditor</b>	RSM Tenon Audit Limited 2 Wellington Place Leeds LS1 4AP
<b>Bankers</b>	National Westminster Bank Plc 8 Market Place Huddersfield HD1 1SG

# TERMRIM CONSTRUCTION LIMITED

## THE DIRECTORS' REPORT

### YEAR ENDED 31 DECEMBER 2011

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The directors present their report and the financial statements of the company for the year ended 31 December 2011

#### Principal activities and business review

The principal activity of the company during the year was that of contracting in the construction industry

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

The turnover for 2011 was £7.2m, an increase of £0.3m on 2010, and pre-tax profits reduced by £222k on 2010

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

Return on capital employed was 2.67% compared with 6.97% in 2010

#### Development and performance of the business

	2011	2010	2009	2008	2007
Turnover	£7,172,874	£6,860,616	£8,021,280	£10,267,418	£10,106,439
Turnover growth	5%	(14%)	(22%)	2%	(25%)
Gross profit margin	15%	18%	20%	24%	24%
Profit before tax	£137,788	£359,349	£828,978	£1,289,952	£1,572,501

#### Position of the business

At the end of the year, the net assets totalled £5,154,605

#### Results and dividends

The profit for the year, after taxation, amounted to £105,815. Particulars of dividends paid are detailed in note 7 to the financial statements

#### Directors

The directors who served the company during the year were as follows

G C Bird  
S J Taylor  
Ms B J Rockett

#### Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

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**TERMRIM CONSTRUCTION LIMITED**

**THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2011**

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- select suitable accounting policies and then apply them consistently,

## TERMRIM CONSTRUCTION LIMITED

### THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2011

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- make judgements and estimates that are reasonable and prudent, and
- 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.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.


#### **Auditor**

A resolution to reappoint RSM Tenon Audit Limited as auditors for the ensuing year will be proposed at the forthcoming annual general meeting.

#### **Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the directors



Ms B J Rockett

Company Secretary

Approved by the directors on

27/04/12

**TERMIRIM CONSTRUCTION LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERMIRIM**  
**CONSTRUCTION LIMITED**

**YEAR ENDED 31 DECEMBER 2011**

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We have audited the financial statements of Termrim Construction Limited for the year ended 31 December 2011 on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 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 Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters 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.

**TERMRIM CONSTRUCTION LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERMRIM**  
**CONSTRUCTION LIMITED** *(continued)*  
**YEAR ENDED 31 DECEMBER 2011**

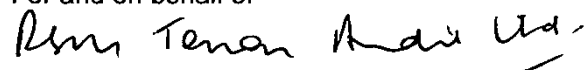
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**Matters on which we are required to report by exception**

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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime

Angus Marshall, Senior Statutory Auditor  
For and on behalf of



RSM Tenon Audit Limited  
Statutory Auditor  
2 Wellington Place  
Leeds  
LS1 4AP

27/04/12



**TERMRIM CONSTRUCTION LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £	2010 £
<b>Turnover</b>		7,172,874	6,860,616
Cost of sales		(6,121,336)	(5,651,544)
<b>Gross profit</b>		<u>1,051,538</u>	<u>1,209,072</u>
Administrative expenses		(951,765)	(882,864)
Other operating income	2	3,997	4,824
<b>Operating profit</b>	3	<u>103,770</u>	<u>331,032</u>
Interest receivable		34,018	28,649
Interest payable and similar charges		—	(332)
<b>Profit on ordinary activities before taxation</b>		<u>137,788</u>	<u>359,349</u>
Tax on profit on ordinary activities	6	(31,973)	(80,610)
<b>Profit for the financial year</b>		<u><u>105,815</u></u>	<u><u>278,739</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 10 to 16 form part of these financial statements

**TERMRIM CONSTRUCTION LIMITED**

Registered Number 1263512

**BALANCE SHEET****31 DECEMBER 2011**

	Note	2011 £	£	2010 £	£
<b>Fixed assets</b>					
Tangible assets	8		63,287		53,558
<b>Current assets</b>					
Debtors	9	4,710,166		5,511,256	
Cash at bank and in hand		2,682,674		1,758,344	
		<u>7,392,840</u>		<u>7,269,600</u>	
<b>Creditors: Amounts falling due within one year</b>	10	<u>(2,289,499)</u>		<u>(2,166,369)</u>	
<b>Net current assets</b>			5,103,341		5,103,231
<b>Total assets less current liabilities</b>			<u>5,166,628</u>		<u>5,156,789</u>
<b>Provisions for liabilities</b>					
Deferred taxation	11		<u>(12,023)</u>		<u>(7,999)</u>
			<u>5,154,605</u>		<u>5,148,790</u>
<b>Capital and reserves</b>					
Called-up share capital	15		10,000		10,000
Profit and loss account	16		5,144,605		5,138,790
<b>Shareholders' funds</b>	17		<u>5,154,605</u>		<u>5,148,790</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the directors and authorised for issue on 27/04/12 and are signed on their behalf by



G C Bird  
Director

The notes on pages 10 to 16 form part of these financial statements

**TERMRIM CONSTRUCTION LIMITED**

**CASH FLOW STATEMENT**

**YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £	£	2010 £	£
<b>Net cash inflow from operating activities</b>	18		1,020,663		572,086
<b>Returns on investments and Servicing of finance</b>					
Interest received		34,018		28,649	
Interest paid		—		(332)	
<b>Net cash inflow from returns on investments and servicing of finance</b>			34,018		28,317
<b>Taxation</b>			(8,590)		(185,782)
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		(25,661)		(16,998)	
Receipts from sale of fixed assets		3,900		—	
<b>Net cash outflow from capital expenditure</b>			(21,761)		(16,998)
<b>Equity dividends paid</b>			(100,000)		(100,000)
<b>Increase in cash</b>	18		<u>924,330</u>		<u>297,623</u>

The notes on pages 10 to 16 form part of these financial statements

**TERMRIM CONSTRUCTION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

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**1. Accounting policies**

**Basis of accounting**

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

**Turnover**

Turnover represents the value, net of value added tax, of goods and services supplied to customers during the year

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Fixtures & Fittings	- 15% reducing balance
Motor Vehicles	- 25% reducing balance

**Operating lease agreements**

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

**Pension costs**

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

**Deferred taxation**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

**2. Other operating income**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Other operating income	<u>3,997</u>	<u>4,824</u>

**TERMRIM CONSTRUCTION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**3. Operating profit**

Operating profit is stated after charging/(crediting)

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	13,116	10,666
Profit on disposal of fixed assets	(1,084)	—
Auditors remuneration	10,040	8,825
Operating lease costs		
-Other	<u>88,266</u>	<u>81,417</u>

**4. Particulars of employees**

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

	<b>2011</b>	<b>2010</b>
	<b>No</b>	<b>No</b>
Direct and contracting	48	45
Directors, management and administration	<u>28</u>	<u>28</u>
	<u>76</u>	<u>73</u>

The aggregate payroll costs of the above were

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,011,690	2,191,303
Social security costs	144,754	143,329
Other pension costs	17,681	17,135
	<u>2,174,125</u>	<u>2,351,767</u>

**5. Directors' remuneration**

The directors' aggregate remuneration in respect of qualifying services were

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration	217,156	207,851
Value of company pension contributions to money purchase schemes	<u>5,976</u>	<u>5,550</u>
	<u>223,132</u>	<u>213,401</u>

The number of directors on whose behalf the company made pension contributions was as follows

	<b>2011</b>	<b>2010</b>
	<b>No</b>	<b>No</b>
Money purchase schemes	<u>3</u>	<u>3</u>

**TERMRIM CONSTRUCTION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**6. Taxation on ordinary activities**

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

	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
In respect of the year		
UK Corporation tax	27,949	97,590
Over/under provision in prior year	-	(14,706)
	<u>27,949</u>	<u>82,884</u>
Deferred tax		
Origination and reversal of timing differences	4,024	(2,274)
Tax on profit on ordinary activities	<u>31,973</u>	<u>80,610</u>

**(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 26.49% (2010 - 28%)

	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
Profit on ordinary activities before taxation	<u>137,788</u>	<u>359,349</u>
Profit on ordinary activities by rate of tax	36,504	100,618
Effects of		
Expenses not deductible for tax purposes	1,853	2,835
Capital allowances for period in excess of depreciation	(4,590)	(3,368)
Small company relief	(5,818)	(2,495)
Adjustments to tax charge in respect of previous periods	-	(14,706)
Total current tax (note 6(a))	<u>27,949</u>	<u>82,884</u>

**7. Dividends**

**Equity dividends**

	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
Dividends paid in year		
Dividends on equity shares	<u>100,000</u>	<u>100,000</u>

**TERMRIM CONSTRUCTION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**8. Tangible fixed assets**

	<b>Fixtures &amp; Fittings £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2011	172,942	13,920	186,862
Additions	1,806	23,855	25,661
Disposals	—	(5,225)	(5,225)
At 31 December 2011	<u>174,748</u>	<u>32,550</u>	<u>207,298</u>
<b>Depreciation</b>			
At 1 January 2011	128,844	4,460	133,304
Charge for the year	6,394	6,722	13,116
On disposals	—	(2,409)	(2,409)
At 31 December 2011	<u>135,238</u>	<u>8,773</u>	<u>144,011</u>
<b>Net book value</b>			
At 31 December 2011	<u>39,510</u>	<u>23,777</u>	<u>63,287</u>
At 31 December 2010	<u>44,098</u>	<u>9,460</u>	<u>53,558</u>

**9. Debtors**

	<b>2011 £</b>	<b>2010 £</b>
Trade debtors	456,702	593,525
Amounts owed by group undertakings	4,047,232	4,771,882
VAT recoverable	51,582	8,878
Other debtors	49,290	38,976
Prepayments and accrued income	105,360	97,995
	<u>4,710,166</u>	<u>5,511,256</u>

**10. Creditors: Amounts falling due within one year**

	<b>2011 £</b>	<b>2010 £</b>
Trade creditors	2,187,948	2,049,241
Other creditors including taxation and social security		
Corporation tax	27,949	8,590
PAYE and social security	48,545	47,488
Accruals and deferred income	25,057	61,050
	<u>2,289,499</u>	<u>2,166,369</u>

**TERMRIM CONSTRUCTION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**11. Deferred taxation**

The movement in the deferred taxation provision during the year was

	<b>2011</b>	<i>2010</i>
	<b>£</b>	<b>£</b>
At 1 January 2011	7,999	10,273
Profit and loss account movement arising during the year	4,024	(2,274)
At 31 December 2011	<u>12,023</u>	<u>7,999</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	<b>2011</b>	<i>2010</i>
	<b>£</b>	<b>£</b>
Excess of taxation allowances over depreciation on fixed assets	12,023	7,999
	<u>12,023</u>	<u>7,999</u>

**12. Commitments under operating leases**

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as set out below

	<b>Other 2011 £</b>	<i>Other 2010 £</i>
Operating leases which expire		
Within 1 year	78,494	59,880
Within 2 to 5 years	103,457	37,601
	<u>181,951</u>	<u>97,481</u>

**13. Pension scheme**

**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 £17,681 (2010: £17,135).

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**  
**YEAR ENDED 31 DECEMBER 2011**

**14. Related party transactions**

An associated undertaking PJP Construction Limited, a company which trades as a residential developer, charged the company £61,322 (2010 £62,393) for rent and service charges during the year Termrim Construction charged PJP Construction Limited £8,388 (2010 £7,813) for management charges. The amount owing from PJP Construction Limited at 31 December 2011 was £6,260 (2010 £nil)

The amount owing from A Patrick Development Limited at 31 December 2011 was £948,998 (2010 £1,578,998)

During the year sales of £nil (2010 £81,566) were made to G Bird, a Director of the company. This was fully paid before the year end.

**15. Share capital**

**Authorised share capital:**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

**Allotted, called up and fully paid:**

	<b>2011</b>	<b>£</b>	<b>2010</b>	<b>£</b>
	<b>No</b>		<b>No</b>	
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

**16 Profit and loss account**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Balance brought forward	5,138,790	4,960,051
Profit for the financial year	105,815	278,739
Equity dividends	(100,000)	(100,000)
Balance carried forward	<u>5,144,605</u>	<u>5,138,790</u>

**17. Reconciliation of movements in shareholders' funds**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	105,815	278,739
Equity dividends	(100,000)	(100,000)
Net addition to shareholders' funds	5,815	178,739
Opening shareholders' funds	5,148,790	4,970,051
Closing shareholders' funds	<u>5,154,605</u>	<u>5,148,790</u>

**TERMRIM CONSTRUCTION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**18. Notes to the cash flow statement**

**Reconciliation of operating profit to net cash inflow from operating activities**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating profit	103,770	331,032
Depreciation	13,116	10,666
Profit on disposal of fixed assets	(1,084)	—
Decrease in debtors	801,090	203,410
Increase in creditors	103,771	26,978
Net cash inflow from operating activities	<u>1,020,663</u>	<u>572,086</u>

**Reconciliation of net cash flow to movement in net funds**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Increase in cash in the period	924,330	297,623
Movement in net funds in the period	<u>924,330</u>	<u>297,623</u>
Net funds at 1 January 2011	1,758,344	1,460,721
Net funds at 31 December 2011	<u>2,682,674</u>	<u>1,758,344</u>

**Analysis of changes in net funds**

	<b>At 1 January 2011 £</b>	<b>Cash flows £</b>	<b>At 31 December 2011 £</b>
Net cash			
Cash in hand and at bank	1,758,344	924,330	2,682,674
Net funds	<u>1,758,344</u>	<u>924,330</u>	<u>2,682,674</u>

**19. Ultimate parent company**

**Controlling entity**

The directors regard Patrick Construction Group Limited as being the company's ultimate parent company at 31 December 2011

The company was controlled throughout the year by its directors