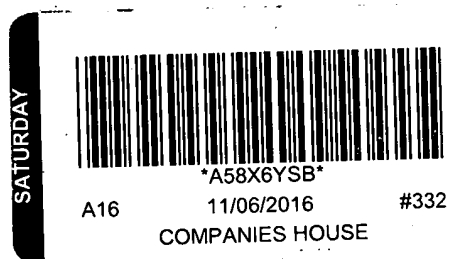


COMPANY REGISTRATION NUMBER: 1263512

Termrim Construction Limited
Financial Statements
31 December 2015



Termrim Construction Limited

Financial Statements

Year ended 31 December 2015

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors report	4
Independent auditor's report to the shareholders	6
Statement of income and retained earnings	8
Statement of financial position	9
Notes to the financial statements	10

Termrim Construction Limited

Officers and Professional Advisers

The board of directors

G C Bird
S J Taylor
Ms B J Rockett

Company secretary

Ms B J Rockett

Registered office

1 Pellon Place
Dyson Wood Way
Bradley Business Park
Huddersfield
HD2 1GT

Auditor

Wheawill & Sudworth Limited
Chartered accountant & statutory auditor
35 Westgate
Huddersfield
West Yorkshire
HD1 1PA

Bankers

National Westminster Bank plc
8 Market Place
Huddersfield
West Yorkshire
HD1 2AL

Termrim Construction Limited

Strategic Report

Year ended 31 December 2015

The directors present their report for the financial year ended 31 December 2015.

Principal activity 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 included new build, social and extra care housing for housing associations. The company also provides new build, refurbishment and conversion work for social, commercial and private sectors.

Performance and developments during the year

The directors were satisfied with the increase in both turnover and operating profit during the year derived from higher levels of activity.

Principal risks and uncertainties

The company's principal risks are contract overrun and unstable trade suppliers and subcontractors. The nature of the company's clientele and payment terms ensures low exposure to credit risk.

Financial instruments

The company's financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no material exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between current accounts and interest bearing deposit accounts.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Research and development

The company continues to take advantage of technical advances as they arise.

Financial key performance indicators

The directors monitor tender levels, conversion rates, gross margins and short term liquidity as key indicators of business performance. A regular reporting structure is maintained taking into account current workload projections, contract performance and overheads. Trade debtor pay days are within 28 days consequently allowing trade creditors payment within 45 days to provide adequate working capital facilities.

Termrim Construction Limited

Strategic Report *(continued)*

Year ended 31 December 2015

Outlook

The directors continue to examine opportunities for further development of the business and its efficiencies. The directors have considered the results of the current financial year up to the date of this report and are reasonably confident the company will further enhance shareholder value in 2016. Turnover and operating profit should increase further as a result of an up-turn in the market in general and from securing larger contracts and new frameworks.



Ms B J Rockett
Company Secretary

Termrim Construction Limited

Directors Report

Year ended 31 December 2015

The directors present their report and the financial statements of the company for the year ended 31 December 2015.

Directors

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

G C Bird
S J Taylor
Ms B J Rockett

Dividends

Particulars of recommended dividends are detailed in note 10 to the financial statements.

Disclosure of information in the strategic report

In accordance with Section 414C(11), Companies Act 2006, the following information required to be contained in this report is set out in the company's Strategic Report on page 2: principal activities, business review, future developments, financial risks and research and development.

Directors responsibilities statement

The directors are responsible for preparing the strategic report, 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Termrim Construction Limited

Directors Report *(continued)*

Year ended 31 December 2015

A handwritten signature in black ink, appearing to read 'B. J. Rockett', with a stylized flourish at the end.

Ms B J Rockett
Company Secretary

Termrim Construction Limited

Independent Auditor's Report to the Shareholders of Termrim Construction Limited

Year ended 31 December 2015

We have audited the financial statements of Termrim Construction Limited for the year ended 31 December 2015, on pages 8 to 17. 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 shareholders, 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 shareholders 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 shareholders 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, 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 the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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 strategic report and 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 Shareholders of Termrim Construction Limited *(continued)*

Year ended 31 December 2015

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.

Wheawill & Sudworth Limited

D M Butterworth (Senior Statutory Auditor)

For and on behalf of
Wheawill & Sudworth Limited
Chartered accountant & statutory auditor

35 Westgate
Huddersfield
West Yorkshire
HD1 1PA

10 May 2016

Termrim Construction Limited

Statement of Income and Retained Earnings

Year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	3	14,887,940	8,365,691
Cost of sales		12,739,625	7,220,747
Gross profit		2,148,315	1,144,944
Administrative expenses		1,159,004	867,059
Other operating income	4	33,504	35,754
Operating profit	5	1,022,815	313,639
Other interest receivable and similar income		6,196	9,140
Profit on ordinary activities before taxation		1,029,011	322,779
Tax on profit on ordinary activities	9	208,988	69,169
Profit for the financial year and total comprehensive income		820,023	253,610
Dividends paid and payable	10	(148,993)	(142,805)
Retained earnings at the start of the year		4,404,166	4,293,361
Retained earnings at the end of the year		5,075,196	4,404,166

All the activities of the company are from continuing operations.

The notes on pages 10 to 17 form part of these financial statements.

Termrim Construction Limited

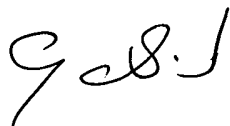
Statement of Financial Position

31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	11	45,263	47,697
Current assets			
Debtors	12	5,816,394	4,680,145
Cash at bank and in hand		<u>3,149,462</u>	<u>1,874,100</u>
		8,965,856	6,554,245
Creditors: amounts falling due within one year	13	<u>3,919,005</u>	<u>2,179,902</u>
Net current assets		<u>5,046,851</u>	<u>4,374,343</u>
Total assets less current liabilities		<u>5,092,114</u>	<u>4,422,040</u>
Provisions			
Taxation including deferred tax	15	<u>6,918</u>	<u>7,874</u>
Net assets		<u><u>5,085,196</u></u>	<u><u>4,414,166</u></u>
Capital and reserves			
Called up share capital	17	10,000	10,000
Profit and loss account	18	<u>5,075,196</u>	<u>4,404,166</u>
Shareholders funds		<u><u>5,085,196</u></u>	<u><u>4,414,166</u></u>

These financial statements were approved by the board of directors and authorised for issue on 10 May 2016, and are signed on behalf of the board by:

G C Bird
Director



S J Taylor
Director



Company registration number: 1263512

The notes on pages 10 to 17 form part of these financial statements.

Termrim Construction Limited

Notes to the Financial Statements

Year ended 31 December 2015

1. Statement of compliance

Termrim Construction Limited is a private company limited by shares, incorporated in England and Wales, registration number 1263512. The Registered Office is 1 Pellon Place, Dyson Wood Way, Bradley Business Park, Huddersfield, HD2 1 GT.

The financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 21.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Patrick Construction Group Limited which can be obtained from the Registrar of Companies. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) Disclosures in respect of share-based payments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Construction Contracts

When the outcome of a construction contract can be estimated reliably, contract costs and turnover are recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to surveyor valuations.

Where the outcome cannot be measured reliably, contract costs are recognised as an expense in the period in which they are incurred and contract turnover is recognised to the extent of costs incurred that it is probable will be recoverable.

When it is probable that contract costs will exceed the total contract turnover, the expected loss is recognised as an expense immediately, with a corresponding provision.

Where the collectability of an amount already recognised as contract revenue is no longer probable, the uncollectible amount is expensed rather than recognised as an adjustment to the amount of contract revenue.

Termrim Construction Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

2. Accounting policies *(continued)*

Revenue recognition *(continued)*

Rendering of Services

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

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 not 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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

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

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Termrim Construction Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2015

2. Accounting policies (continued)

Provisions (continued)

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

3. Turnover

Turnover arises from:

	2015	2014
	£	£
Rendering of services	6,300	6,300
Construction contracts	14,881,640	8,359,391
	<u>14,887,940</u>	<u>8,365,691</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4. Other operating income

	2015	2014
	£	£
Grants and fees	<u>33,504</u>	<u>35,754</u>

5. Operating profit

Operating profit or loss is stated after charging:

	2015	2014
	£	£
Depreciation of tangible assets	8,684	8,899
Operating lease rentals	148,250	155,233
Defined contribution plans expense	<u>161,979</u>	<u>43,893</u>

6. Auditor's remuneration

	2015	2014
	£	£
Fees payable for the audit of the financial statements	<u>9,500</u>	<u>8,020</u>

Termrim Construction Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2015	2014
	No	No
Direct and contracting	28	44
Directors, management and administration	12	11
	<u>40</u>	<u>55</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2015	2014
	£	£
Wages and salaries	1,596,515	1,510,135
Social security costs	146,334	118,357
Other pension costs	161,979	43,893
	<u>1,904,828</u>	<u>1,672,385</u>

8. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2015	2014
	£	£
Remuneration	132,813	125,191
Company contributions to defined contribution pension plans	116,683	15,107
	<u>249,496</u>	<u>140,298</u>

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

	2015	2014
	No	No
Defined contribution plans	<u>3</u>	<u>3</u>

9. Tax on profit on ordinary activities

Major components of tax expense

	2015	2014
	£	£
Current tax:		
UK current tax expense	209,945	69,591
Adjustments in respect of prior periods	(1)	1
Total current tax	<u>209,944</u>	<u>69,592</u>
Deferred tax:		
Origination and reversal of timing differences	(956)	(423)
Tax on profit on ordinary activities	<u>208,988</u>	<u>69,169</u>

Termrim Construction Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2015

9. Tax on profit on ordinary activities (continued)

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%).

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>1,029,011</u>	<u>322,779</u>
Profit on ordinary activities by rate of tax	208,339	69,375
Effect of expenses not deductible for tax purposes	1,415	1,325
Effect of change in tax rate on deferred tax opening position	97	618
Effect of change in tax rate on deferred tax closing position	(863)	(587)
Marginal relief	–	(1,563)
Adjustments in respect of prior periods	–	1
Tax on profit on ordinary activities	<u>208,988</u>	<u>69,169</u>

The standard rate of corporation tax has changed from the previous period due to a reduction in the main rate of corporation tax.

10. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2015 £	2014 £
Equity dividends on ordinary shares	<u>148,993</u>	<u>142,805</u>

11. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2015	64,183	121,071	32,550	217,804
Additions	–	6,250	–	6,250
At 31 December 2015	<u>64,183</u>	<u>127,321</u>	<u>32,550</u>	<u>224,054</u>
Depreciation				
At 1 January 2015	48,170	100,553	21,384	170,107
Charge for the year	2,694	4,112	1,878	8,684
At 31 December 2015	<u>50,864</u>	<u>104,665</u>	<u>23,262</u>	<u>178,791</u>
Carrying amount				
At 31 December 2015	<u>13,319</u>	<u>22,656</u>	<u>9,288</u>	<u>45,263</u>
At 31 December 2014	<u>16,013</u>	<u>20,518</u>	<u>11,166</u>	<u>47,697</u>

Termrim Construction Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2015

12. Debtors

	2015	2014
	£	£
Amounts owed by group undertakings	4,034,885	3,774,885
Amounts owed by customers on construction contracts	1,546,194	705,392
Prepayments and accrued income	95,079	104,069
Other debtors	140,236	95,799
	<u>5,816,394</u>	<u>4,680,145</u>

The debtors above include the following amounts recoverable after more than one year:

	2015	2014
	£	£
Amounts due from group undertakings	<u>4,034,885</u>	<u>3,774,885</u>

13. Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	2,349,665	1,994,302
Accruals and deferred income	234,440	48,728
Corporation tax	209,945	69,591
Social security and other taxes	55,663	37,658
Amounts owed to customers on construction contracts	1,048,171	6,333
Other creditors	21,121	23,290
	<u>3,919,005</u>	<u>2,179,902</u>

14. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2015	2014
	£	£
Included in provisions (note 15)	<u>6,918</u>	<u>7,874</u>

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

	2015	2014
	£	£
Accelerated capital allowances	<u>6,918</u>	<u>7,874</u>

The amount of the net reversal of deferred tax assets and liabilities expected to occur during 2016 is £1,168. This is due to a reduction in accelerated capital allowances.

There is no expiry date on timing differences.

Termrim Construction Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

15. Provisions

	Deferred tax (note 14) £
At 1 January 2015	7,874
Charge against provision	(956)
At 31 December 2015	<u>6,918</u>

16. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £161,979 (2014: £43,893).

17. Called up share capital

Issued, called up and fully paid

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

18. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

19. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
	£	£
Not later than 1 year	134,107	143,082
Later than 1 year and not later than 5 years	312,844	386,950
Later than 5 years	70,000	130,000
	<u>516,951</u>	<u>660,032</u>

20. Related party transactions

The immediate parent of the company is Patrick Construction (Holdings) Limited. The ultimate parent and the largest and smallest group financial statements that consolidate this company is Patrick Construction Group Limited, a company registered in the UK. These group accounts are available to the public from the Registrar of Companies.

Included in creditors are directors' current accounts at 31 December 2015 of £21,121 (2014: £23,290).

The outstanding balances above due from the company are unsecured and the nature of the consideration to be provided in settlement is cash. They are repayable on demand and currently interest free.

Termrim Construction Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

21. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

No transitional adjustments were required in equity or profit or loss for the year.