

Registration number 3546214

PERMALI GLOUCESTER LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013

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PERMALI GLOUCESTER LIMITED
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PERMALI GLOUCESTER LIMITED
COMPANY INFORMATION

Directors	A J T King N J Baird P D Carter
Company secretary	N J Baird
Registered office	Bristol Road Gloucester GL1 5TT
Auditors	Hazlewoods LLP Windsor House Barnett Way Barnwood Gloucester GL4 3RT

PERMALI GLOUCESTER LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2013

The directors present their report and the financial statements for the year ended 31 May 2013

Principal activity

The principal activity of the company is the design and manufacture of high specification plastic products using thermosetting and thermoplastic materials. The company supplies a wide range of market sectors.

Directors of the company

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

A J T King

N J Baird

P D Carter

Business review

Fair review of the business

The directors are satisfied with the results for the year and consider the financial position of the company at the year end to be a firm basis for further development of the business. Turnover increased by over 5% as expected with a corresponding reduction in gross margin as more material intensive products drove the volume growth and one off costs were incurred. We increased our R&D expenditure by 15% and we have achieved key technical advances in the performance and range of our products. Following the development costs already incurred and the resulting advances made, we expect to generate significant sales over the following financial periods. A new significant contract has already been won in the current financial year with a newly developed product.

We expect purchase decisions on a number of key contracts will be taken in the next financial year and therefore we will see an improvement in the order book.

We have reduced our dependency on the defence market but still consider this sector to be our most important and we are bidding for large defence contracts both in the UK and overseas. However new markets have shown higher growth in the last financial year and we expect this trend to continue.

Principal risks and uncertainties

The company's cash position means the business is not exposed to significant risks from interest rates and liquidity. Most trade debtors are covered by insurance and risk is mitigated with tight credit control. Exposures to foreign exchange rates are managed and limited using financial instruments or they are naturally hedged with purchases and revenues in either Euro or US dollars.

The directors do not believe there are additional key performance indicators that assist in the understanding of the business.

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

The company has considerable financial resources available and has continued to trade profitably. The directors have prepared forecasts for the next 12 months that indicate these trends will continue. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Disclosure of information to the auditors

Each director has taken the 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.

Reappointment of auditors

The auditors Hazlewoods LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

PERMALI GLOUCESTER LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2013

Medium sized company provisions

This report has been prepared in accordance with the special provisions relating to medium-sized companies within Part 15 of the Companies Act 2006

Approved by the Board on 18/10/13 and signed on its behalf by



N J Baird
Director

PERMALI GLOUCESTER LIMITED

STATEMENT OF 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 these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PERMALI GLOUCESTER LIMITED**

We have audited the financial statements of Permal Gloucester Limited for the year ended 31 May 2013, set out on pages 7 to 19. 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 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 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 Statement of Directors' Responsibilities (set out on page 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 (APB'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 Directors' 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 the 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 May 2013 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PERMALI GLOUCESTER LIMITED**

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

David Williams (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditors

Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

Date 18/10/2013

PERMALI GLOUCESTER LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2013

	Note	2013 £	2012 £
Turnover	2	9,807,810	9,288,851
Cost of sales		<u>(7,456,920)</u>	<u>(6,676,190)</u>
Gross profit		2,350,890	2,612,661
Distribution costs		(137,348)	(176,264)
Administrative expenses		(2,239,533)	(2,313,391)
Other operating income		<u>110,580</u>	<u>143,420</u>
Operating profit	3	84,589	266,426
Other interest receivable and similar income	6	<u>20,592</u>	<u>23,642</u>
Profit on ordinary activities before taxation		105,181	290,068
Tax on profit on ordinary activities	7	<u>51,519</u>	<u>99,943</u>
Profit for the financial year	16	<u>156,700</u>	<u>390,011</u>

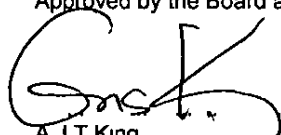
Turnover and operating profit derive wholly from continuing operations

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

PERMALI GLOUCESTER LIMITED
(REGISTRATION NUMBER 3546214)
BALANCE SHEET
AS AT 31 MAY 2013

	Note	2013 £	2012 £
Fixed assets			
Intangible fixed assets	8	(503,200)	(516,200)
Tangible fixed assets	9	<u>2,135,960</u>	<u>2,213,968</u>
		<u>1,632,760</u>	<u>1,697,768</u>
Current assets			
Stocks	10	2,459,494	1,862,209
Debtors	11	3,200,640	2,569,697
Cash at bank and in hand		<u>1,575,216</u>	<u>2,378,393</u>
		<u>7,235,350</u>	<u>6,810,299</u>
Creditors Amounts falling due within one year	12	<u>(2,225,760)</u>	<u>(1,834,161)</u>
Net current assets		<u>5,009,590</u>	<u>4,976,138</u>
Total assets less current liabilities		<u>6,642,350</u>	<u>6,673,906</u>
Provisions for liabilities	13	<u>(270,760)</u>	<u>(253,238)</u>
Net assets		<u>6,371,590</u>	<u>6,420,668</u>
Capital and reserves			
Called up share capital	14	222,222	222,222
Capital redemption reserve	16	17,778	17,778
Profit and loss account	16	<u>6,131,590</u>	<u>6,180,668</u>
Shareholders' funds	17	<u>6,371,590</u>	<u>6,420,668</u>

Approved by the Board and authorised for issue on 18/10/13 and signed on its behalf by


A J T King
Director

PERMALI GLOUCESTER LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2013

Cash flow statement

	Note	2013 £	2012 £
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		84,589	266,426
Depreciation of tangible assets		246,366	227,557
Amortisation of negative goodwill		(13,000)	(13,000)
Profit on disposal of fixed assets		(17,500)	-
(Increase)/decrease in stocks		(597,285)	540,509
Increase in debtors		(671,333)	(748,019)
Increase/(decrease) in creditors		391,599	(193,969)
Decrease in provisions		(5,000)	-
Net cash (outflow)/inflow from operating activities		<u>(581,564)</u>	<u>79,504</u>
Returns on investments and servicing of finance			
Interest received		<u>20,592</u>	<u>23,642</u>
Taxation received		<u>114,431</u>	<u>-</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(168,358)	(239,639)
Sale of tangible fixed assets		<u>17,500</u>	<u>-</u>
		<u>(150,858)</u>	<u>(239,639)</u>
Equity dividends paid		<u>(205,778)</u>	<u>(232,889)</u>
Net cash outflow before management of liquid resources and financing		<u>(803,177)</u>	<u>(369,382)</u>
Decrease in cash	20	<u><u>(803,177)</u></u>	<u><u>(369,382)</u></u>
Reconciliation of net cash flow to movement in net funds			
	Note	2013 £	2012 £
Decrease in cash		<u>(803,177)</u>	<u>(369,382)</u>
Movement in net funds	20	(803,177)	(369,382)
Net funds at 1 June	20	<u>2,378,393</u>	<u>2,747,775</u>
Net funds at 31 May	20	<u><u>1,575,216</u></u>	<u><u>2,378,393</u></u>

PERMALI GLOUCESTER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

Turnover

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

Negative goodwill

Acquired negative goodwill is recognised in the profit and loss account in line with the periods over which the non-monetary assets are recovered, whether through depreciation or sale

Purchased goodwill

Purchased goodwill is capitalised and is to be written off over a period of five years. This period is considered by the directors to be its useful economic life

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Long leasehold land and buildings	Over 54 years straight line
Plant and machinery	10 - 33% straight line

No depreciation is charged on freehold land in accordance with FRS 15 "Tangible Fixed Assets"

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit

Stocks and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost is represented by direct materials and labour together with attributable amounts of fixed and variable overheads incurred in bringing each product to its present location and condition. Net realisable value is estimated selling price less further costs to completion and disposal

Deferred tax

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

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account

PERMALI GLOUCESTER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013

Hire purchase and leasing

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

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

2 Turnover

An analysis of turnover by geographical location is given below

	2013 £	2012 £
UK	5,089,173	5,182,823
EU	2,276,339	2,317,680
Rest of World	2,442,298	1,788,348
	<u>9,807,810</u>	<u>9,288,851</u>

3 Operating profit

Operating profit is stated after charging/(crediting)

	2013 £	2012 £
Depreciation of owned assets	246,366	227,557
Operating leases - land & buildings	15,386	15,386
Operating leases - other assets	16,582	26,738
Auditor's remuneration - Audit fees	9,450	9,450
Auditor's remuneration - Non audit fees	7,250	7,964
Profit on sale of tangible fixed assets	(17,500)	-
Amortisation	(13,000)	(13,000)
Foreign currency (gains)/losses	(35,695)	12,768
	<u>(35,695)</u>	<u>12,768</u>

PERMALI GLOUCESTER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013

4 Particulars of employees

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

	2013 No.	2012 No
Production	66	66
Administration	10	11
	<u>76</u>	<u>77</u>

The aggregate payroll costs were as follows

	2013 £	2012 £
Wages and salaries	2,077,724	2,052,848
Social security costs	216,399	211,549
Pension costs	130,371	128,857
	<u>2,424,494</u>	<u>2,393,254</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows

	2013 £	2012 £
Remuneration (including benefits in kind)	225,995	229,095
Company contributions paid to money purchase schemes	<u>16,383</u>	<u>16,383</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2013 No.	2012 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director

	2013 £	2012 £
Remuneration	114,318	112,834
Company contributions to money purchase pension schemes	<u>9,271</u>	<u>9,271</u>

PERMALI GLOUCESTER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013

6 Other interest receivable and similar income

	2013 £	2012 £
Bank interest receivable	<u>20,592</u>	<u>23,642</u>

7 Taxation

Tax on profit on ordinary activities

	2013 £	2012 £
Current tax		
Corporation tax credit	(63,392)	(23,443)
Adjustments in respect of previous years	<u>(10,649)</u>	<u>(68,151)</u>
UK Corporation tax	<u>(74,041)</u>	<u>(91,594)</u>
Deferred tax		
Deferred tax charge/(credit) in year	22,522	(9,926)
Deferred tax adjustment relating to previous years	<u>-</u>	<u>1,577</u>
Total deferred tax	<u>22,522</u>	<u>(8,349)</u>
Total tax on profit on ordinary activities	<u>(51,519)</u>	<u>(99,943)</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 20% (2012 - 20%)

The differences are reconciled below

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>105,181</u>	<u>290,068</u>
Corporation tax at standard rate	21,036	58,014
Non deductible expenses	315	869
Capital allowances in excess of depreciation and other fixed asset differences	5,325	(19,726)
Income not taxable for tax purposes	(2,600)	-
Adjustments to previous periods	(10,649)	(68,151)
Movements in provision	(24,356)	(2,600)
Research and development deduction	(62,034)	(60,000)
Land remediation increased deduction	<u>(1,078)</u>	<u>-</u>
Total current tax	<u>(74,041)</u>	<u>(91,594)</u>

PERMALI GLOUCESTER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013

8 Intangible fixed assets

	Negative goodwill £	Purchased goodwill £	Total £
Cost			
At 1 June 2012	(1,901,199)	464,028	(1,437,171)
At 31 May 2013	(1,901,199)	464,028	(1,437,171)
Amortisation			
At 1 June 2012	(1,384,999)	464,028	(920,971)
Charge for the year	(13,000)	-	(13,000)
At 31 May 2013	(1,397,999)	464,028	(933,971)
Net book value			
At 31 May 2013	(503,200)	-	(503,200)
At 31 May 2012	(516,200)	-	(516,200)

9 Tangible fixed assets

	Freehold land and buildings £	Long leasehold land and buildings £	Plant and machinery £	Total £
Cost or valuation				
At 1 June 2012	18,210	1,375,750	3,096,433	4,490,393
Additions	-	52,378	115,980	168,358
Disposals	-	-	(100,000)	(100,000)
At 31 May 2013	18,210	1,428,128	3,112,413	4,558,751
Depreciation				
At 1 June 2012	-	405,838	1,870,587	2,276,425
Charge for the year	-	34,414	211,952	246,366
Eliminated on disposals	-	-	(100,000)	(100,000)
At 31 May 2013	-	440,252	1,982,539	2,422,791
Net book value				
At 31 May 2013	18,210	987,876	1,129,874	2,135,960
At 31 May 2012	18,210	969,912	1,225,846	2,213,968

PERMALI GLOUCESTER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013

10 Stocks and work in progress

	2013 £	2012 £
Raw materials and consumables	775,035	566,213
Work in progress	1,385,924	1,026,310
Finished goods and goods for resale	298,535	269,686
	<u>2,459,494</u>	<u>1,862,209</u>

11 Debtors

	2013 £	2012 £
Trade debtors	2,976,015	2,306,884
Other debtors	66,103	122,935
Prepayments and accrued income	158,522	139,878
	<u>3,200,640</u>	<u>2,569,697</u>

12 Creditors Amounts falling due within one year

	2013 £	2012 £
Trade creditors	1,479,413	1,284,312
Other taxes and social security	153,337	65,408
Other creditors	38,789	39,974
Accruals and deferred income	554,221	444,467
	<u>2,225,760</u>	<u>1,834,161</u>

PERMALI GLOUCESTER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013

13 Provisions

	Deferred tax liability £	Warranty provision £	Total £
At 1 June 2012	143,238	110,000	253,238
Charged/(credited) to the profit and loss account	22,522	(5,000)	17,522
At 31 May 2013	<u>165,760</u>	<u>105,000</u>	<u>270,760</u>

Analysis of deferred tax

	2013 £	2012 £
Difference between accumulated depreciation and amortisation and capital allowances	193,516	194,251
Other timing differences	<u>(27,756)</u>	<u>(51,013)</u>
	<u>165,760</u>	<u>143,238</u>

PERMALI GLOUCESTER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013

14 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No.	£	No.	£
Ordinary shares of £1 each	150,000	150,000	150,000	150,000
'A' Ordinary shares of £1 each	<u>72,222</u>	<u>72,222</u>	<u>72,222</u>	<u>72,222</u>
	<u>222,222</u>	<u>222,222</u>	<u>222,222</u>	<u>222,222</u>

The rights attaching to the £1 A Ordinary class of shares are as follows

Dividend

The shares carry the right to a fixed dividend of 8% of nominal value of the shares which is cumulative should the company be unable to make a distribution legally for any financial year. The dividend will be adjusted to 12% of profit before taxation as shown in the profit and loss account if higher, allocated to each share on a pro rata basis. The shares also carry the right to a compensatory dividend equal to any benefits paid to the share-holding directors over an index-linked figure of £250,000 per annum.

Redemption

There are no fixed redemption terms.

On winding up

On winding up, shareholders are entitled to the subscription price paid. This is before the right of ordinary shareholders to have the subscription price paid. The shareholders are entitled to any surplus remaining in equal proportion to ordinary shareholders.

Voting rights

Each share carries the voting rights of one.

15 Dividends

	2013	2012
	£	£
Dividends		
Ordinary 'A' fixed	5,778	5,779
Ordinary	<u>200,000</u>	<u>230,000</u>
	<u>205,778</u>	<u>235,779</u>

The directors propose an ordinary dividend of £100,000 (2012 - £200,000) in relation to the financial year ended 31 May 2013. In accordance with FRS 21 no provision was made for the dividends in the financial statements.

PERMALI GLOUCESTER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013

16 Reserves

	Capital redemption reserve £	Profit and loss account £	Total £
At 1 June 2012	17,778	6,180,668	6,198,446
Profit for the year	-	156,700	156,700
Dividends	-	(205,778)	(205,778)
At 31 May 2013	<u>17,778</u>	<u>6,131,590</u>	<u>6,149,368</u>

17 Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Profit attributable to the members of the company	156,700	390,011
Dividends	(205,778)	(235,779)
Net (reduction)/addition to shareholders' funds	<u>(49,078)</u>	<u>154,232</u>
Shareholders' funds at 1 June	<u>6,420,668</u>	<u>6,266,436</u>
Shareholders' funds at 31 May	<u>6,371,590</u>	<u>6,420,668</u>

18 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £130,371 (2012 - £128,857).

PERMALI GLOUCESTER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013

19 Commitments

Capital commitments

The value of forward foreign exchange contracts at the year end amounted to £1,478,074 (2012 - £2,185,228)

Operating lease commitments

As at 31 May 2013 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2013 £	2012 £
Land and buildings		
Over five years	<u>15,386</u>	<u>15,386</u>
Other		
Within one year	-	5,371
Within two and five years	<u>14,790</u>	<u>6,233</u>
	<u>14,790</u>	<u>11,604</u>

20 Analysis of net funds

	At 1 June 2012 £	Cash flow £	At 31 May 2013 £
Cash at bank and in hand	2,378,393	(803,177)	1,575,216
Net funds	<u>2,378,393</u>	<u>(803,177)</u>	<u>1,575,216</u>

21 Related party transactions

During the year, payments of £10,392 (2012 £17,320) were made to Mr P D Carter, a director of the company. There were no amounts owing at the year end in relation to these fees. The directors consider the payment of these fees to have been made on arms length terms.

22 Control

The company is controlled by the directors as listed on page 2