

Company Registration No. 3546214 (England and Wales)

**PERMALI GLOUCESTER LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2010**

SATURDAY



\*A8M5HR7O\*

A63

29/01/2011

265

COMPANIES HOUSE

# **PERMALI GLOUCESTER LIMITED**

## **COMPANY INFORMATION**

---

<b>Directors</b>	A J T King N J Baird D F Abel Smith
<b>Secretary</b>	N J Baird
<b>Company number</b>	3546214
<b>Registered office</b>	Bristol Road Gloucester GL1 5TT
<b>Auditors</b>	Hazlewoods LLP Windsor House Barnett Way Barnwood Gloucester GL4 3RT
<b>Business address</b>	Bristol Road Gloucester GL1 5TT

---

# **PERMALI GLOUCESTER LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 21

---

# **PERMALI GLOUCESTER LIMITED**

## **DIRECTORS' REPORT** **for the year ended 31 May 2010**

---

Company Registration No. 3546214 (England and Wales)

The directors present their report and financial statements for the year ended 31 May 2010

### **Principal activities and review of the business**

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.

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. During the year the company completed a major project, which contributed to most of the increase in sales. Next year the directors expect sales and profits to fall but underlying margin and growth to be maintained. There are large enquiries in the pipeline and the directors continue to maintain investment in new equipment and research and development activities.

### **Description of Principal Risks and Uncertainties**

The cash position of the business means the business is not exposed to significant risks from interest rates and liquidity. Most trade debtors are covered by insurance. Exposure to foreign exchange rates are managed and limited using financial instruments.

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 and to generate cash. The directors have prepared forecasts for the next 12 months that indicate that 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.

### **Results and dividends**

The results for the year are set out on page 6.

The directors disagree with the current accounting treatment under Financial Reporting Standard 10 "Goodwill and Intangible Assets". A proforma profit and loss account and balance sheet has been attached in note 2, showing the result for the year had the negative goodwill been transferred to reserves upon acquisition in accordance with SSAP22 "Accounting for Goodwill".

### **Directors**

The following directors have held office since 1 June 2009:

A J T King  
N J Baird  
D F Abel Smith

# PERMALI GLOUCESTER LIMITED

## DIRECTORS' REPORT (CONTINUED) for the year ended 31 May 2010

### Directors' interests

	Ordinary shares of £1 each	
	31 May 2010	1 June 2009
N J Baird	37,500	37,500
A J T King	75,000	75,000
D F Abel Smith	-	-

	'A' Ordinary shares of £1 each	
	31 May 2010	1 June 2009
N J Baird	-	-
A J T King	-	-
D F Abel Smith	-	-

Included within A J T King's interest in shares are 6,000 Ordinary shares owned by his wife

### Auditors

Hazlewoods LLP have expressed their willingness to continue in office

### Disclosure of information to auditors

We confirm that,

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

# PERMALI GLOUCESTER LIMITED

## DIRECTORS' REPORT (CONTINUED) for the year ended 31 May 2010

---

### 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 then apply them consistently,
- make judgements 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.

On behalf of the board

 21/9/2010

N J Baird  
Director

# **PERMALI GLOUCESTER LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF PERMALI GLOUCESTER LIMITED**

---

We have audited the financial statements of Permal Gloucester Limited on pages 6 to 21 for the year ended 31 May 2010 which comprise the Profit & Loss, Balance Sheet, Cash Flow Statement and Notes. 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 Section 495 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, 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 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.

#### **Opinion on financial statements**

In our opinion:

- give a true and fair view of the state of the company's affairs as at 31 May 2010 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.

# **PERMALI GLOUCESTER LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **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

21 SEPTEMBER 2010

**Chartered Accountants**  
**Statutory Auditor**

Windsor House  
Barnett Way  
Barnwood  
Gloucester  
GL4 3RT



# PERMALI GLOUCESTER LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31 May 2010

	Notes	2010 £	2009 £
Turnover	3	19,825,426	14,448,686
Cost of sales		(14,481,357)	(10,357,053)
Gross profit		5,344,069	4,091,633
Distribution costs		(244,647)	(191,659)
Administrative expenses		(2,392,569)	(2,281,518)
Other operating income		157,742	169,255
Operating profit	4	2,864,595	1,787,711
Interest receivable and similar income	5	250	57,259
Profit on ordinary activities before taxation		2,864,845	1,844,970
Tax on profit on ordinary activities	6	(795,463)	(477,476)
Profit for the year	17	2,069,382	1,367,494

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

# PERMALI GLOUCESTER LIMITED

## BALANCE SHEET as at 31 May 2010

	Notes	2010 £	£	2009 £	£
<b>Fixed assets</b>					
Purchased goodwill	8		-		-
Negative goodwill	8		(542,200)		(556,200)
Tangible assets	9		2,077,062		2,085,704
			<u>1,534,862</u>		<u>1,529,504</u>
<b>Current assets</b>					
Stocks	10	2,616,334		2,593,198	
Debtors	11	3,893,414		2,861,370	
Cash at bank and in hand		2,477,290		1,885,195	
			<u>8,987,038</u>		<u>7,339,763</u>
<b>Creditors: amounts falling due within one year</b>	12	(3,936,506)		(3,328,441)	
<b>Net current assets</b>			<u>5,050,532</u>		<u>4,011,322</u>
<b>Total assets less current liabilities</b>			<u>6,585,394</u>		<u>5,540,826</u>
<b>Provisions for liabilities and charges</b>	13		(250,841)		(246,434)
			<u>6,334,553</u>		<u>5,294,392</u>
<b>Capital and reserves</b>					
Called up share capital	15		222,222		222,222
Other reserves	16		17,778		17,778
Profit and loss account	16		6,094,553		5,054,392
<b>Shareholders' funds - equity interests</b>	17		<u>6,334,553</u>		<u>5,294,392</u>

A proforma balance sheet is included in note 2 to the accounts illustrating the position at 31 May 2010, had negative goodwill been transferred to reserves upon acquisition

The financial statements were approved by the Board on 21<sup>st</sup> September 2010



A J T King  
Director

# PERMALI GLOUCESTER LIMITED

## CASH FLOW STATEMENT for the year ended 31 May 2010

	2010		2009	
	£	£	£	£
Net cash inflow from operating activities		1,732,057		1,196,888
Returns on investments and servicing of finance				
Interest received	250		57,259	
	<u>250</u>		<u>57,259</u>	
Net cash inflow for returns on investments and servicing of finance		250		57,259
Taxation		(627,431)		(608,699)
Capital expenditure				
Payments to acquire tangible assets	(172,449)		(292,723)	
	<u>(172,449)</u>		<u>(292,723)</u>	
Net cash outflow for capital expenditure		(172,449)		(292,723)
Equity dividends paid		(1,034,731)		(464,984)
		<u>(1,034,731)</u>		<u>(464,984)</u>
Net cash outflow before management of liquid resources and financing		(102,304)		(112,259)
		<u>(102,304)</u>		<u>(112,259)</u>
Decrease in cash in the year		<u>(102,304)</u>		<u>(112,259)</u>

# PERMALI GLOUCESTER LIMITED

## NOTES TO THE CASH FLOW STATEMENT for the year ended 31 May 2010

<b>1</b>	<b>Reconciliation of operating profit to net cash inflow from operating activities</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Operating profit	2,864,595	1,787,711
	Depreciation of tangible assets	181,091	169,120
	Amortisation of negative goodwill	(14,000)	(12,000)
	Amortisation of purchased goodwill	-	92,741
	Increase in stocks	(23,136)	(153,349)
	(Increase)/decrease in debtors	(1,032,044)	923,250
	Decrease in creditors within one year	(244,449)	(1,610,585)
	<b>Net cash inflow from operating activities</b>	<b>1,732,057</b>	<b>1,196,888</b>

<b>2</b>	<b>Analysis of net funds</b>	<b>1 June 2009</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>31 May 2010</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Net cash				
	Cash at bank and in hand	1,885,194	592,096	-	2,477,290
	Bank overdrafts	-	(694,400)	-	(694,400)
	<b>Net funds</b>	<b>1,885,194</b>	<b>(102,304)</b>	<b>-</b>	<b>1,782,890</b>

<b>3</b>	<b>Reconciliation of net cash flow to movement in net funds</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Decrease in cash in the year	(102,304)	(112,259)
	<b>Movement in net funds in the year</b>	<b>(102,304)</b>	<b>(112,259)</b>
	Opening net funds	1,885,194	1,997,453
	<b>Closing net funds</b>	<b>1,782,890</b>	<b>1,885,194</b>

# PERMALI GLOUCESTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2010

---

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### 1.3 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

#### 1.4 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.

#### 1.5 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.

#### 1.6 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".

#### 1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.8 Stock 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.

#### 1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

# **PERMALI GLOUCESTER LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **for the year ended 31 May 2010**

---

### **1 Accounting policies**

**(Continued)**

#### **1.10 Deferred taxation**

In accordance with Financial Reporting Standard 19, Deferred Tax, full provision is made for deferred tax arising from timing differences between the differing treatment of certain items for taxation and accounting purposes. The provision is calculated at the rates of taxation at which it is estimated the liability will arise and is not discounted. No provision is made in respect of timing differences arising from the sale or revaluation of fixed assets unless there is a commitment to the disposal of the assets at the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider there to be suitable taxable profits from which the underlying timing differences can be deducted.

#### **1.11 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# PERMALI GLOUCESTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 May 2010

### 2 Proforma financial statements excluding negative goodwill

The directors do not believe that the current accounting treatment required under Financial Reporting Standard (FRS) 10, "Goodwill and Intangible Assets" is appropriate. This resulted in the discount arising on the acquisition of the trade and assets of the company in June 1998, being capitalised in the balance sheet as negative goodwill and currently being released to the profit and loss account over the period in which the non-monetary assets acquired are being depreciated or consumed.

A proforma profit and loss account and balance sheet which do not adhere to the provisions of FRS 10 have been included below, showing the primary statements for the year had negative goodwill been transferred to reserves upon acquisition, a treatment which was permissible under the Statement of Standard Accounting Practice Number 22, prior to it being withdrawn to be replaced by FRS 10.

Profit and loss account for the year ended 31 May 2010	2010 £	2009 £
<b>Turnover</b>	19,825,426	14,448,686
Cost of sales	(14,481,357)	(10,357,053)
<b>Gross Profit</b>	5,344,069	4,091,633
Distribution costs	(244,647)	(191,659)
Administrative expenses	(2,406,569)	(2,293,518)
Other operating income	157,742	169,255
<b>Operating Profit</b>	2,850,595	1,775,711
Other interest receivable and similar income	250	57,259
<b>Profit on ordinary activities before taxation</b>	2,850,845	1,832,970
Tax on profit on ordinary activities	(795,463)	(477,476)
<b>Profit for the year</b>	2,055,382	1,355,494

# PERMALI GLOUCESTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 May 2010

### 2 Proforma financial statements excluding negative goodwill (continued)

#### Balance sheet as at 31 May 2010

	2010 £	2009 £
<b>Fixed assets</b>		
Purchased goodwill	-	-
Tangible assets	2,077,062	2,085,704
	<u>2,077,062</u>	<u>2,085,704</u>
<b>Current assets</b>		
Stocks	2,616,334	2,593,198
Debtors	3,893,414	2,861,370
Cash at bank and in hand	2,477,290	1,885,195
	<u>8,987,038</u>	<u>7,339,763</u>
<b>Creditors: amounts falling due within one year</b>	<u>(3,936,504)</u>	<u>(3,328,439)</u>
<b>Net current assets</b>	<u>5,050,534</u>	<u>4,011,324</u>
<b>Total assets less current liabilities</b>	<u>7,127,596</u>	<u>6,097,028</u>
<b>Provisions for liabilities and charges</b>	<u>(250,841)</u>	<u>(246,434)</u>
	<u>6,876,755</u>	<u>5,850,594</u>
<b>Capital and reserves</b>		
Called up share capital	222,222	222,222
Other reserves	17,778	17,778
Profit and loss account	6,636,755	5,610,594
	<u>6,876,755</u>	<u>5,850,594</u>



# PERMALI GLOUCESTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 May 2010

### 3 Turnover

#### Geographical market

	Turnover	
	2010	2009
	£	£
UK	9,815,968	9,561,717
EU	2,454,663	4,432,276
Rest of Europe	32,278	22,377
Rest of World	7,522,517	300,593
	<u>19,825,426</u>	<u>14,316,963</u>

### 4 Operating profit

	2010	2009
	£	£
Operating profit is stated after charging		
Amortisation of purchased goodwill	-	92,741
Depreciation of tangible assets	181,091	169,119
Loss on foreign exchange transactions	-	144,086
Operating lease rentals		
- Land & buildings	15,386	15,386
- Other assets	17,852	20,788
Auditors' remuneration		
- Audit fees	11,400	8,475
- Non audit fees	9,622	4,025
and after crediting		
Amortisation of negative goodwill	(14,000)	(12,000)
Profit on foreign exchange transactions	(108,943)	-
	<u></u>	<u></u>

### 5 Investment income

	2010	2009
	£	£
Bank interest	250	57,259
	<u>250</u>	<u>57,259</u>

# PERMALI GLOUCESTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 May 2010

6	Taxation	2010 £	2009 £
	<b>Domestic current year tax</b>		
	U K corporation tax	788,457	570,874
	Adjustment for prior years	2,599	(15,883)
	<b>Current tax charge</b>	<u>791,056</u>	<u>554,991</u>
	<b>Deferred tax</b>		
	Deferred tax charge/(credit) in year	4,407	(77,805)
	Deferred tax adjust re previous year	-	290
		<u>4,407</u>	<u>(77,515)</u>
		<u>795,463</u>	<u>477,476</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>2,864,845</u>	<u>1,844,970</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	<u>802,157</u>	<u>516,592</u>
	Effects of		
	Non deductible expenses	46,483	24,993
	Capital allowances in excess of depreciation	(14,836)	(25,897)
	Adjustments to previous periods	2,599	(15,883)
	Movements in provision	7,363	9,749
	Research and development deduction	(52,710)	(72,392)
	Effect of gain crystallising after 10 years	-	117,829
		<u>(11,101)</u>	<u>38,399</u>
	<b>Current tax charge</b>	<u>(791,056)</u>	<u>554,991</u>

# PERMALI GLOUCESTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 May 2010

7	Dividends	2010 £	2009 £
	Ordinary 'A' fixed	5,779	5,779
	Ordinary	698,443	323,000
	Ordinary 'A' final	324,999	168,010
		<u>1,029,221</u>	<u>496,789</u>

The directors have yet to propose an ordinary dividend in relation to the financial year ended 31 May 2010 (2009 £360,946) In accordance with FRS 21 no provision was made for the dividends in the financial statements in 2009

8	Intangible fixed assets	Purchased goodwill £	Negative goodwill £	Total £
	<b>Cost</b>			
	At 1 June 2009 & at 31 May 2010	464,028	(1,901,199)	(1,437,171)
	<b>Amortisation</b>			
	At 1 June 2009	464,028	(1,344,999)	(880,971)
	Credit for the year	-	(14,000)	(14,000)
	At 31 May 2010	464,028	(1,358,999)	(894,971)
	<b>Net book value</b>			
	At 31 May 2010	-	(542,200)	(542,200)
	At 31 May 2009	-	(556,200)	(556,200)

# PERMALI GLOUCESTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 May 2010

### 9 Tangible fixed assets

	Freehold land	Long leasehold land and buildings	Plant and machinery	Total
	£	£	£	£
<b>Cost</b>				
At 1 June 2009	18,210	1,373,600	2,456,092	3,847,902
Additions	-	-	172,449	172,449
Disposals	-	-	(113,884)	(113,884)
At 31 May 2010	18,210	1,373,600	2,514,657	3,906,467
<b>Depreciation</b>				
At 1 June 2009	-	302,645	1,459,553	1,762,198
On disposals	-	-	(113,884)	(113,884)
Charge for the year	-	34,370	146,721	181,091
At 31 May 2010	-	337,015	1,492,390	1,829,405
<b>Net book value</b>				
At 31 May 2010	18,210	1,036,585	1,022,267	2,077,062
At 31 May 2009	18,210	1,070,955	996,539	2,085,704

### 10 Stocks and work in progress

	2010	2009
	£	£
Raw materials and consumables	506,036	572,269
Work in progress	1,880,567	1,834,877
Finished goods and goods for resale	229,731	186,052
	2,616,334	2,593,198

# PERMALI GLOUCESTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 May 2010

11 Debtors	2010 £	2009 £
Trade debtors	3,774,351	2,658,793
Other debtors	1,835	98,177
Prepayments and accrued income	117,228	104,400
	<u>3,893,414</u>	<u>2,861,370</u>

12 Creditors: amounts falling due within one year	2010 £	2009 £
Bank overdraft	694,400	-
Trade creditors	1,521,924	2,337,872
Corporation tax	441,812	278,187
Other taxes and social security costs	415,531	64,356
Other creditors	49,332	41,745
Accruals and deferred income	651,008	438,271
Ordinary 'A' participating dividend	162,499	168,010
	<u>3,936,506</u>	<u>3,328,441</u>

13 Provisions for liabilities	Warranty provision £	Deferred tax liability £	Total £
Balance at 1 June 2009	110,000	136,434	246,434
Profit and loss account	-	4,407	4,407
Balance at 31 May 2010	<u>110,000</u>	<u>140,841</u>	<u>250,841</u>

Deferred taxation provided in the financial statements is as follows

	2010 £	2009 £
Accelerated capital allowances	217,611	205,841
Other timing differences	(76,770)	(69,407)
	<u>140,841</u>	<u>136,434</u>

# PERMALI GLOUCESTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 May 2010

### 14 Pension and other post-retirement benefit commitments Defined contribution

	2010 £	2009 £
Contributions payable by the company for the year	129,742	110,660

### 15 Share capital

	2010 £	2009 £
<b>Authorised</b>		
150,000 Ordinary shares of £1 each	150,000	150,000
90,000 'A' Ordinary shares of £1 each	90,000	90,000
	240,000	240,000
<b>Allotted, called up and fully paid</b>		
150,000 Ordinary shares of £1 each	150,000	150,000
72,222 'A' Ordinary shares of £1 each	72,222	72,222
	222,222	222,222

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 the 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 the ordinary shareholders.

#### Voting rights

Each share carries the right to one vote.

# PERMALI GLOUCESTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 May 2010

### 16 Statement of movements on reserves

	Capital redemption reserve	Profit and loss account
	£	£
Balance at 1 June 2009	17,778	5,054,392
Retained profit for the year	-	1,040,161
Balance at 31 May 2010	17,778	6,094,553

### 17 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Profit for the financial year	2,069,382	1,367,494
Dividends	(1,029,221)	(496,789)
Net addition to shareholders' funds	1,040,161	870,705
Opening shareholders' funds	5,294,392	4,423,687
Closing shareholders' funds	6,334,553	5,294,392

### 18 Financial commitments

At 31 May 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2011

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Operating leases which expire				
Within one year	-	-	7,952	357
Between two and five years	-	-	9,900	20,788
In over five years	15,386	15,386	-	-
	15,386	15,386	17,852	21,145

# PERMALI GLOUCESTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 May 2010

19 Directors' emoluments	2010 £	2009 £
Emoluments for qualifying services	220,609	214,657
Company pension contributions to money purchase schemes	16,621	15,991
	<u>237,230</u>	<u>230,648</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2009 - 2)

### 20 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2010 Number	2009 Number
Production	80	67
Administration	11	11
	<u>91</u>	<u>78</u>

#### Employment costs

	£	£
Wages and salaries	2,382,375	1,968,960
Social security costs	227,262	197,805
Other pension costs	129,742	110,660
	<u>2,739,379</u>	<u>2,277,425</u>

### 21 Control

The company is controlled by the directors listed on page 1

### 22 Related party transactions

During the year, payments of £13,000 (2009 £13,000) were made to Abel Smith Consulting for the consultancy services of Mr D F Abel Smith, a director of the company. Included within accruals at 31 May 2010 is £2,214 (2009 £2,214) in relation to these fees. The directors consider the payment of these fees to have been made on arms length terms.