

**PERMAROCK STRUCTURAL  
CHEMICALS LIMITED**

**Report and Financial Statements**

**31 December 1994**

**Touche Ross & Co.  
St Johns House  
East Street  
Leicester  
LE1 6NG**



**REPORT AND FINANCIAL STATEMENTS 1994**

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**REPORT AND FINANCIAL STATEMENTS 1994**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Mr R Littlewood  
Mr M Hutchinson  
Dr R G Canning  
Mr M J Sharman

**SECRETARY**

Mr H C T Staunton

**REGISTERED OFFICE**

Jubilee Drive  
Loughborough  
Leicestershire  
LE11 OXS

**BANKERS**

National Westminster Bank plc  
235 High Street  
Orpington  
Kent  
BR6 ONS

**SOLICITORS**

Hugh Staunton & Co  
6 West Walk  
Leicester  
LE1 7NA

**AUDITORS**

Touche Ross & Co  
Chartered Accountants  
St Johns House  
East Street  
Leicester  
LE1 6NG

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year to 31 December 1994.

### **ACTIVITIES**

The principal activity of the company is the distribution of concrete repair materials and resin coatings.

### **REVIEW OF DEVELOPMENTS**

The company incurred a loss as a result of not achieving its sales volume targets.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The directors do not recommend the payment of a dividend. The retained loss of £100,802 (17 months to 31 December 1993 £78,162) have been transferred from reserves.

### **FUTURE PROSPECTS**

The company has been reorganised to concentrate on the resin coating business and an improved performance is expected.

### **FIXED ASSETS**

Details of tangible fixed assets are set out in note 8 of the financial statements.

### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year are as follows:

Mr R Littlewood

Mr M Hutchinson (Chairman)

Dr R G Canning

Mr M J Sharman

Mr R Littlewood had a beneficial interest in 10,000 of the parent company's ordinary shares throughout the year.

Mr M Hutchinson, Dr R G Canning and Mr M J Sharman are Directors of Permarock Products Limited, the company's parent company. Their interests in the shares of the parent company are shown in that company's financial statements.

None of the directors had any beneficial interest in the shares of the company.

## **DIRECTORS' REPORT**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

### **EMPLOYEE INVOLVEMENT**

Regular meetings are held between the directors and employees to keep employees informed of developments within the company.

### **EMPLOYMENT OF DISABLED PERSONS**

Full and fair consideration is given to applications for employment made by disabled persons having regard to their particular aptitudes and abilities.

### **AUDITORS**

Touche Ross & Co have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

  
Hugh Staunton  
Secretary



## Chartered Accountants

Touche Ross & Co.  
St. John's House  
East Street  
Leicester LE1 6NG

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## AUDITORS' REPORT TO THE MEMBERS OF

### PERMAROCK STRUCTURAL CHEMICALS LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared under the accounting policies set out on page 7.

#### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants  
and Registered Auditors

27/3/95

**PROFIT AND LOSS ACCOUNT**  
**31 December 1994**

	Note	Year to 31 December 1994 £	Year to 31 December 1994 £	17 Months to 31 December 1993 £
<b>TURNOVER</b>	2			
Continuing operations		73,866		23,862
Discontinuing operations		259,642		491,634
Total turnover			333,508	515,496
Cost of sales			236,289	359,103
Gross profit			97,219	156,393
Administration expenses			198,021	221,658
<b>OPERATING LOSS</b>	3			
Continuing operations		(71,142)		
Discontinuing operations		(29,660)		
Total operating loss			(100,802)	(65,265)
Interest receivable and similar income			-	1,586
Interest payable and similar charges	4		-	(16,231)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			(100,802)	(79,910)
Tax on loss on ordinary activities	6		-	(1,298)
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>			(100,802)	(78,162)
Retained deficit brought forward			(80,328)	(1,716)
Retained deficit carried forward			(181,130)	(80,328)

There are no recognised gains or losses or movements on reserves other than those shown in the profit and loss account above.

**BALANCE SHEET**  
**As at 31 December 1994**

	Note	1994 £	1993 £
<b>FIXED ASSETS</b>			
Tangible assets	8	9,765	16,458
<b>CURRENT ASSETS</b>			
Stocks	9	30,358	40,041
Debtors	10	48,096	40,570
Cash at bank and in hand		120	8
		78,574	80,619
<b>CREDITORS: amounts falling due within one year</b>	11	264,369	176,305
<b>NET CURRENT LIABILITIES</b>		(185,795)	(95,686)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(176,030)	(79,228)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	12	(5,000)	(1,000)
		(181,030)	(80,228)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	100	100
Profit and loss account		(181,130)	(80,328)
<b>TOTAL EQUITY SHAREHOLDERS FUNDS</b>		(181,030)	(80,228)

These financial statements were approved by the Board of Directors on *24 March 1995*

Signed on behalf of the Board of Directors



R G Canning

Director



## NOTES TO THE ACCOUNTS

31 December 1994

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Fixtures and fittings	10% per annum
Motor vehicles	25% per annum
Plant and machinery	10%-20% per annum

#### Stocks

Stocks are stated at the lower of cost and net realisable value.

#### Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

#### Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term.

#### Repairs and renewals

Repairs and renewals are charged to the profit and loss account as incurred.

#### Cashflow

The Company has taken advantage of the exemption granted under FRS1 not to prepare a cash flow statement as it is a wholly owned subsidiary of another UK company.

### 2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of Value Added Tax.

**NOTES TO THE ACCOUNTS**  
**31 December 1994**

**3. ANALYSIS OF OPERATING LOSS**

	12 months to 31 December 1994			17 months to 31 December 1993		
	Continuing	Dis- continuing	Total	Continuing	Dis- continuing	Total
	£	£	£	£	£	£
Cost of sales	49,008	187,281	236,289	13,975	345,127	359,102
Gross profit	24,858	72,361	97,219	9,887	146,506	156,393
Admin expenses	96,000	102,021	198,021	50,554	171,104	221,658
Operating profit/(loss)	(71,142)	(29,660)	(100,802)	(40,667)	(24,598)	(65,265)

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	12 Months to 31 December 1994	17 Months to 31 December 1993
	£	£
Bank loans, overdrafts and other loans repayable within five years	-	16,231

**5. OPERATING LOSS**

	12 Months to 31 December 1994	17 Months to 31 December 1993
	£	£
Operating loss is after charging:		
Depreciation and amortisation	6,917	7,841
Rentals under operating leases		
Hire of plant and machinery	390	577
Other operating leases	7,371	3,306
Auditors' remuneration -	1,500	1,500

**NOTES TO THE ACCOUNTS**  
**31 December 1994**

**6. TAX ON LOSS ON ORDINARY ACTIVITIES**

	<b>12 Months to 31 December 1994</b>	<b>17 Months to 31 December 1993</b>
	£	£
United Kingdom corporation tax at 25% (1993 - 25%) based on the loss for the period	-	(1,262)
Deferred taxation	-	(16)
		(1,278)
Over provided in previous years	-	(20)
	-	(1,298)

Losses are available to carry forward to set against future profits of the same trade. There is no capacity to carry the current year losses back and as such there is no current year tax credit.

**7. STAFF COSTS**

	<b>12 Months to 31 December 1994</b>	<b>17 Months to 31 December 1993</b>
	£	£
<b>Staff costs during the period (including directors)</b>		
Wages and salaries	58,062	41,444
Social security costs	5,251	3,288
	3,807	-
	67,120	44,432
	<b>No</b>	<b>No</b>
<b>Average number of persons employed</b>	3	4

The Directors who are also Directors of Permarock Products Limited received a total remuneration of £95,840 disclosed in Permarock Products Limited's financial statements. It is not practicable to allocate this between their services as directors of Permarock Products Limited and Permarock Structural Chemicals Limited.

**NOTES TO THE ACCOUNTS**  
**31 December 1994**

**7. STAFF COSTS (Continued)**

The other Directors received the following remuneration:

	12 months to 31 December 1994 £	17 months to 31 December 1993 £
<b>Directors' emoluments</b>		
Salaries	31,363	42,712
Social security contributions	3,807	4,114
Benefits in kind	3,222	3,563
Pension contributions	3,695	-
	<u>42,087</u>	<u>50,389</u>
 <b>Scale of directors' remuneration for these directors</b>	<b>No</b>	<b>No</b>
£ 0 - £ 5,000	-	1
£ 40,001 - £ 45,000	1	-
£ 45,001 - £ 50,000	-	1
	<u>-</u>	<u>1</u>

**8. TANGIBLE FIXED ASSETS**

	Fixtures & Fittings £	Motor Vehicles £	Plant and machinery £	Total £
<b>Cost</b>				
At 1 January 1994	6,169	19,150	6,834	32,153
Additions	-	-	224	224
At 31 December 1994	<u>6,169</u>	<u>19,150</u>	<u>7,058</u>	<u>32,377</u>
<b>Accumulated depreciation</b>				
At 1 January 1994	3,284	9,576	2,835	15,695
Charge for the year	617	4,788	1,512	6,917
At 31 December 1994	<u>3,901</u>	<u>14,364</u>	<u>4,347</u>	<u>22,612</u>
<b>Net book value</b>				
At 31 December 1994	<u>2,268</u>	<u>4,786</u>	<u>2,711</u>	<u>9,765</u>
At 31 December 1993	<u>2,885</u>	<u>9,574</u>	<u>3,999</u>	<u>16,458</u>

**NOTES TO THE ACCOUNTS**  
**31 December 1994**

**9. STOCKS**

Stocks consist of raw materials and consumables.

**10. DEBTORS - DUE WITHIN 1 YEAR**

	£	£
Trade debtors due within one year	47,273	37,444
Other debtors	823	3,126
	<u>48,096</u>	<u>40,570</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£	£
Trade creditors	25,757	22,696
Tax and social security	7,490	5,549
Other creditors	-	3,529
Directors' loan accounts	-	3,540
Amount owed to parent company	231,122	140,991
	<u>264,369</u>	<u>176,305</u>

The maximum amount outstanding on the directors' loan accounts during the year was £3,540.

**NOTES TO THE ACCOUNTS**  
**31 December 1994**

**12. PROVISIONS FOR LIABILITIES AND CHARGES**

	Provided 31 December 1994 £	Unprovided 31 December 1994 £	Provided 31 December 1993 £	Unprovided 31 December 1993 £
Deferred taxation	-	-	-	-

**Deferred tax movement for the  
period:**

Balance at 31/12/93  
Current period credit

Balance at 31/12/94

Warranty provision

1994 £	1993 £
5,000	1,000

**13. CALLED UP SHARE CAPITAL**

Authorised

100 ordinary shares of £1 each

Called up, allotted and fully paid

100 ordinary shares of £1 each

1994 £	1993 £
100	100
100	100

**NOTES TO THE ACCOUNTS**  
**31 December 1994****14. OPERATING LEASE COMMITMENTS**

At 31 December 1994 the company was committed to making the following payments during the next year in respect of operating leases, none of which relate to land or buildings.

Leases which expire:	£
within one year	1,640
	<u>          </u>

**15. ULTIMATE PARENT COMPANY**

The company's ultimate parent company is Permarock Products Limited, a company registered in the England and Wales. Group accounts can be obtained from Permarock Products Limited, Jubilee Drive, Loughborough, Leicestershire, LE11 0XS.