

**PERMAROCK PRODUCTS LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2013**  
**Company Registration No. 01867923 (England and Wales)**

SATURDAY



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# PERMAROCK PRODUCTS LIMITED

## COMPANY INFORMATION

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<b>Director</b>	Mr D I Horrocks
<b>Company number</b>	01867923
<b>Registered office</b>	Jubilee Drive Loughborough Leicestershire LE115TW
<b>Auditors</b>	Duncan Sheard Glass Castle Chambers 43 Castle Street Liverpool L2 9TL

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# PERMAROCK PRODUCTS LIMITED

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# PERMAROCK PRODUCTS LIMITED

## DIRECTOR'S REPORT

**FOR THE YEAR ENDED 30 NOVEMBER 2013**

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The director presents his report and financial statements for the year ended 30 November 2013.

### Principal activities

The principal activity of the company during the period was the manufacture of external wall insulation and concrete repair and protection systems.

### Director

The following director has held office since 1 December 2012:

Mr D I Horrocks

### Auditors

The auditors, Duncan Sheard Glass, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

### Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the board



Mr D I Horrocks

Director

16 June 2014

# PERMAROCK PRODUCTS LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF PERMAROCK PRODUCTS LIMITED

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We have audited the financial statements of Permarock Products Limited for the year ended 30 November 2013 set out on pages 4 to 15. 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 auditors' 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 director and auditors**

As explained more fully in the Director's Responsibilities Statement set out on pages 1, the director is 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements 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 30 November 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# PERMAROCK PRODUCTS LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF PERMAROCK PRODUCTS LIMITED

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report and from preparing a strategic report.



**Jean Ellis BA FCA CTA (Senior Statutory Auditor)**  
for and on behalf of Duncan Sheard Glass

16 June 2014

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

Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

# PERMAROCK PRODUCTS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2013

	Notes	2013 £	2012 £
Turnover		5,195,697	6,048,934
Cost of sales		(3,822,275)	(4,377,069)
<b>Gross profit</b>		<b>1,373,422</b>	<b>1,671,865</b>
Administrative expenses (including exceptional management charge of £nil (2012: £525,000))		(986,828)	(1,796,008)
<b>Operating profit/(loss)</b>	<b>2</b>	<b>386,594</b>	<b>(124,143)</b>
Interest payable and similar charges	<b>3</b>	(22,336)	(10,669)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>364,258</b>	<b>(134,812)</b>
Tax on profit/(loss) on ordinary activities	<b>4</b>	22,734	33,147
<b>Profit/(loss) for the year</b>	<b>15</b>	<b>386,992</b>	<b>(101,665)</b>

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

# PERMAROCK PRODUCTS LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 NOVEMBER 2013

	Notes	2013 £	2012 £
<b>Profit/(loss) for the financial year</b>		386,992	(101,665)
Unrealised (deficit)/surplus on revaluation of properties		-	116,886
Gain on transfer of defined benefit pension liability		-	168,000
Movement on deferred tax relating to pension liability		-	(168,000)
<b>Total recognised gains and losses relating to the year</b>		<u>386,992</u>	<u>15,221</u>

### Note of historical cost profits and losses

	2013 £	2012 £
<b>Reported profit/(loss) on ordinary activities before taxation</b>	364,258	(134,812)
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	<u>1,164</u>	<u>-</u>
<b>Historical cost profit/(loss) on ordinary activities before taxation</b>	<u>365,422</u>	<u>(134,812)</u>
<b>Historical cost profit/(loss) for the year retained after taxation, extraordinary items and dividends</b>	<u>145,388</u>	<u>(161,866)</u>



# PERMAROCK PRODUCTS LIMITED


## BALANCE SHEET

AS AT 30 NOVEMBER 2013

	Notes	2013 £	£	2012 £	£
<b>Fixed assets</b>					
Intangible assets	6		4		4
Tangible assets	7		659,346		691,256
			<u>659,350</u>		<u>691,260</u>
<b>Current assets</b>					
Stocks	8	109,525		152,427	
Debtors	9	1,398,676		1,889,477	
Cash at bank and in hand		629,533		721,706	
		<u>2,137,734</u>		<u>2,763,610</u>	
<b>Creditors: amounts falling due within one year</b>	10	(1,051,384)		(1,772,374)	
<b>Net current assets</b>			<u>1,086,350</u>		<u>991,236</u>
<b>Total assets less current liabilities</b>			<u>1,745,700</u>		<u>1,682,496</u>
<b>Creditors: amounts falling due after more than one year</b>	11		(391,057)		(472,077)
			<u>1,354,643</u>		<u>1,210,419</u>
<b>Capital and reserves</b>					
Called up share capital	14		389,265		389,265
Share premium account	15		5,800		5,800
Revaluation reserve	15		114,548		116,886
Other reserves	15		23,135		23,135
Profit and loss account	15		821,895		675,333
<b>Shareholders' funds</b>	16		<u>1,354,643</u>		<u>1,210,419</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and authorised for issue on 16 June 2014



Mr D I Horrocks  
Director

Company Registration No. 01867923

# PERMAROCK PRODUCTS LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 30 NOVEMBER 2013

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

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

#### 1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

#### 1.5 Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

#### 1.6 Tangible fixed assets and depreciation

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

Land and buildings Leasehold	2% straight line
Plant and machinery	15% reducing balance and 20% straight line
Fixtures, fittings & equipment	10% straight line

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

#### 1.7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

#### 1.8 Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

# PERMAROCK PRODUCTS LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 30 NOVEMBER 2013

### 1 Accounting policies

(Continued)

#### 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.

#### 1.10 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

#### 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 recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Operating profit/(loss)

2013

2012

£

£

Operating profit/(loss) is stated after charging:

Depreciation of tangible assets

33,018

32,205

Loss on foreign exchange transactions

13,007

-

Operating lease rentals

- Plant and machinery

76,955

82,497

- Other assets

18,601

18,561

Auditors' remuneration (including expenses and benefits in kind)

13,260

12,000

and after crediting:

Profit on foreign exchange transactions

-

(2,590)

### 3 Interest payable

2013

2012

£

£

Included in interest payable is the following amount:

Hire purchase interest

-

5,414

# PERMAROCK PRODUCTS LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 30 NOVEMBER 2013

4	Taxation	2013 £	2012 £
	<b>Domestic current year tax</b>		
	Adjustment for prior years	-	(6,144)
	<b>Total current tax</b>	-	(6,144)
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(22,734)	(27,003)
		<u>(22,734)</u>	<u>(33,147)</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit/(loss) on ordinary activities before taxation	<u>364,258</u>	<u>(134,812)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012 - 24.00%)	<u>87,422</u>	<u>(32,355)</u>
	Effects of:		
	Non deductible expenses	11,476	822
	Depreciation in excess of capital allowances	4,840	1,532
	Tax losses	(103,738)	151,774
	Share-based payments	-	(6,894)
	Adjustments to previous periods	-	(6,144)
	Payment to exit onerous pension liability	-	(120,960)
	Other short-term timing differences	-	6,081
		<u>(87,422)</u>	<u>26,211</u>
	<b>Current tax charge for the year</b>	<u>-</u>	<u>(6,144)</u>

The company has estimated losses of £ 200,147 (2012 - £ 632,390) available for carry forward against future trading profits.

5	Dividends	2013 £	2012 £
	Ordinary interim paid	<u>242,768</u>	<u>60,201</u>

# PERMAROCK PRODUCTS LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 30 NOVEMBER 2013

### 6 Intangible fixed assets

	Goodwill	Other intangible assets	Total
	£	£	£
<b>Cost</b>			
At 1 December 2012 & at 30 November 2013	2	15,002	15,004
<b>Amortisation</b>			
At 1 December 2012 & at 30 November 2013	-	15,000	15,000
<b>Net book value</b>			
At 30 November 2013	2	2	4
At 30 November 2012	2	2	4

### 7 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 December 2012	575,000	295,260	870,260
Additions	-	1,108	1,108
At 30 November 2013	575,000	296,368	871,368
<b>Depreciation</b>			
At 1 December 2012	-	179,004	179,004
Charge for the year	11,500	21,518	33,018
At 30 November 2013	11,500	200,522	212,022
<b>Net book value</b>			
At 30 November 2013	563,500	95,846	659,346
At 30 November 2012	575,000	116,256	691,256

The land and buildings was revalued by Readings Property Group Limited Chartered Surveyors external to the company. The valuation of £575,000 was incorporated in the financial statements on the 30th November 2012. The increase in value has been transferred to the revaluation reserve.

# PERMAROCK PRODUCTS LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 30 NOVEMBER 2013

### 7 Tangible fixed assets

(Continued)

Comparable historical cost for the land and buildings included at valuation:

£

#### Cost

At 1 December 2012 & at 30 November 2013

516,800

#### Depreciation based on cost

At 1 December 2012

58,686

Charge for the year

10,336

At 30 November 2013

69,022

#### Net book value

At 30 November 2013

447,778

At 30 November 2012

458,114

### 8 Stocks

2013

2012

£

£

Raw materials and finished goods

109,525

152,427

### 9 Debtors

2013

2012

£

£

Trade debtors

675,712

1,222,459

Amounts owed by group undertakings and undertakings in which the company has a participating interest

566,632

575,632

Other debtors

113,053

70,841

Deferred tax asset (see note 12)

43,279

20,545

1,398,676

1,889,477

# PERMAROCK PRODUCTS LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 30 NOVEMBER 2013

10 Creditors: amounts falling due within one year	2013 £	2012 £
Bank loans and overdrafts	83,300	83,300
Trade creditors	731,342	1,292,897
Taxation and social security	91,861	189,185
Other creditors	144,881	206,992
	<u>1,051,384</u>	<u>1,772,374</u>

Bank loans and overdrafts amounting to £83,300 (2012: £83,300) are secured by the assets of the company.

11 Creditors: amounts falling due after more than one year	2013 £	2012 £
Bank loans	<u>391,057</u>	<u>472,077</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	474,357	555,377
Included in current liabilities	<u>(83,300)</u>	<u>(83,300)</u>
	<u>391,057</u>	<u>472,077</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	67,212	83,300
In more than two years but not more than five years	<u>323,845</u>	<u>388,777</u>

Bank loans amounting to £391,057 (2012: £472,077) are secured by the assets of the company.

# PERMAROCK PRODUCTS LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 30 NOVEMBER 2013

### 12 Provisions for liabilities

The deferred tax asset (included in debtors, note 9) is made up as follows:

	2013 £	
Balance at 1 December 2012	(20,545)	
Profit and loss account	(22,734)	
	<u>(43,279)</u>	
Balance at 30 November 2013	<u>(43,279)</u>	
	2013 £	2012 £
Accelerated capital allowances	8,468	10,201
Tax losses available	(51,747)	(30,746)
	<u>(43,279)</u>	<u>(20,545)</u>

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

	2013 £	2012 £
Contributions payable by the company for the year	<u>19,677</u>	<u>115,985</u>

### 14 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
389,265 Ordinary A of £1 each	<u>389,265</u>	<u>389,265</u>



# PERMAROCK PRODUCTS LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 30 NOVEMBER 2013

### 15 Statement of movements on reserves

	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 December 2012	116,886	23,135	675,333
Profit for the year	-	-	386,992
Transfer from revaluation reserve to profit and loss account	(2,338)	-	2,338
Dividends paid	-	-	(242,768)
Balance at 30 November 2013	114,548	23,135	821,895

#### Other reserves

##### Capital redemption reserve

Balance at 1 December 2012 & at 30 November 2013

23,135

### 16 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit/(Loss) for the financial year	386,992	(101,665)
Dividends	(242,768)	(60,201)
	144,224	(161,866)
Other recognised gains and losses	-	116,886
Net addition to/(depletion in) shareholders' funds	144,224	(44,980)
Opening shareholders' funds	1,210,419	1,255,399
Closing shareholders' funds	1,354,643	1,210,419

### 17 Financial commitments

At 30 November 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 November 2014:

	Land and buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Operating leases which expire:				
Within one year	-	7,088	-	-
Between two and five years	-	-	67,953	43,008
	-	7,088	67,953	43,008

# **PERMAROCK PRODUCTS LIMITED**

## **BALANCE SHEET (CONTINUED)**

**AS AT 30 NOVEMBER 2013**

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### **18 Control**

The ultimate controlling party is Mr D I Horrocks by virtue of his majority shareholding in the parent company, Sustainable Building Solutions (UK) Limited.

### **19 Related party relationships and transactions**

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

During the year the company made sales totalling £780,807 and purchases of £21,275 with Sustainable Building Services (UK) Limited (formerly St. Annes Contractors Limited), a related party due to common shareholders.

At the year end the company was owed £99,101 (2012: £127,371) by Sustainable Building Services (UK) Limited.

During the year the company charged management fees totalling £33,250 to Sustainable Housing Limited, a related party due to the ultimate controlling party, Mr DI Horrocks.

At the year end the company was owed £33,250 (2012: £nil) by Sustainable Housing Limited.

Mr D I Horrocks provides a personal guarantee in respect of borrowings from Barclays Bank plc.

There is a cross guarantee and debenture between Permarock Products Limited & its parent company, Sustainable Building Solutions (UK) Limited dated 31/08/2012.