

**MURPHY & SON LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31ST MARCH 1999**



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REPORT OF THE AUDITORS TO THE DIRECTORS OF  
MURPHY & SON LIMITED

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We have examined the abbreviated accounts on pages 3 to 6, together with the full financial statements of the company for the year ended 31st March 1999 prepared under Section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts are properly prepared in accordance with those provisions and to report our opinion to you.


**Basis of opinion**

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 3 to 6 are properly prepared in accordance with those provisions.

1 Nelson Street  
Southend on Sea  
Essex

  
Wilkins Kennedy  
Chartered Accountants  
and Registered Auditor

26th May 1999

BALANCE SHEET  
AT 31ST MARCH 1998

		1999	1998
	Note	£	£
<b>FIXED ASSETS</b>			
Tangible assets	2	1,378,196	1,535,661
Investment properties	3	1,258,863	932,558
Investments	4	292,795	85,972
		<u>2,929,854</u>	<u>2,554,191</u>
<b>CURRENT ASSETS</b>			
Stocks		171,298	126,317
Debtors		412,653	354,369
Investments		370,572	465,286
Cash at bank and in hand		14,570	52,380
		<u>969,093</u>	<u>998,352</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year		723,695	344,896
<b>NET CURRENT ASSETS</b>		<u>245,398</u>	<u>653,456</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,175,252</u>	<u>3,207,647</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
		<u>(11,967)</u>	<u>(689)</u>
<b>CAPITAL AND RESERVES</b>		<u>3,163,285</u>	<u>3,206,958</u>
Called-up share capital	5	40,000	40,000
Distributable reserves		2,925,109	3,012,105
Non-distributable reserves		198,176	154,853
<b>SHAREHOLDERS' FUNDS</b>		<u>3,163,285</u>	<u>3,206,958</u>

These abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 26th May 1999.

  
J.A. CARMICHAEL

  
S.L. HALE

 DIRECTORS

The notes on pages 4 to 6 form part of these accounts.

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH 1999**

**1. ACCOUNTING POLICIES****(a) Basis of preparation of accounts**

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention modified to include the revaluation of investment properties.

**(b) Cash Flow Statements**

In the opinion of the directors the company qualifies as a small company and accordingly a cash flow statement is not required.

**(c) Depreciation**

Depreciation is provided on all tangible fixed assets, other than freehold land and properties held for investment purposes at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life as follows:-

Freehold buildings	- over 50 or 30 years
Plant and machinery	- 20% or 10% of cost
Motor vehicles	- 25% net book value
Furniture and equipment	- 20% or 10% of cost

No depreciation is provided in respect of uncompleted construction and development works.

**(d) Investment property**

In accordance with Statement of Standard Accounting Practice No 19 certain of the company's properties are held for long term investment and are included in the balance sheet at their open market values. The surpluses or deficits on revaluation of such properties are transferred to the investment property revaluation reserve. Depreciation is not provided in respect of Freehold Investment Properties.

This policy represents a departure from statutory accounting principals, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

**(e) Investments**

Investments are included at cost/cost less amounts written off. Profits or losses arising from disposals of fixed asset are treated as part of the result from ordinary activities.

**(f) Stocks**

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

**(g) Research and development**

Research and development expenditure is written off as incurred.

**(h) Deferred taxation**

Deferred taxation is provided for under the liability method using tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Debit balances arising in respect of advanced corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

**(i) Foreign currencies**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. All exchange rate differences are dealt with through the profit and loss account.

**NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST MARCH 1999**

**(j) Contributions to pension funds**

The pension costs charged against profits are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll.

**2. TANGIBLE FIXED ASSETS**

	<b>Freehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Furniture and equipment £</b>	<b>Laboratory apparatus £</b>	<b>Total £</b>
<b>COST</b>						
At 1.4.1998	1,452,743	575,164	249,819	62,941	53,124	2,393,791
Additions	197,531	50,287	-	15,918	7,980	271,716
Transfer to investment property	(364,112)	-	-	-	-	(364,112)
Disposals	-	-	-	-	-	-
At 31.3.1999	<u>1,286,162</u>	<u>625,451</u>	<u>249,819</u>	<u>78,859</u>	<u>61,104</u>	<u>2,301,395</u>
<b>DEPRECIATION</b>						
At 1.4.1998	197,873	424,850	139,576	52,969	42,862	858,130
Provided during the year	24,614	47,917	27,561	5,315	4,849	110,256
Transfer to investment property	(45,187)	-	-	-	-	(45,187)
Disposals	-	-	-	-	-	-
At 31.3.1999	<u>177,300</u>	<u>472,767</u>	<u>167,137</u>	<u>58,284</u>	<u>47,711</u>	<u>923,199</u>
<b>NET BOOK VALUE</b>						
At 31.3.1999	<u>1,108,862</u>	<u>152,684</u>	<u>82,682</u>	<u>20,575</u>	<u>13,393</u>	<u>1,378,196</u>
At 31.3.1998	<u>1,254,870</u>	<u>150,314</u>	<u>110,243</u>	<u>9,972</u>	<u>10,262</u>	<u>1,535,661</u>

**3. INVESTMENT PROPERTIES**

	<b>Freehold land and buildings £</b>
At 1st April 1998	932,558
Transfer freehold land and building	318,925
Disposals	(70,000)
Revaluation	77,380
At 31st March 1999	<u>1,258,863</u>

The investment properties were valued in May 1999 by Messrs. Nattrass Giles, Chartered Surveyors in respect of properties in the Nottingham area, and by Stimpson, Chartered Surveyors in respect of properties in the Wheathampstead area. All properties are valued at open market value after reflecting existing tenancy agreements.

**NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST MARCH 1999**

**4. FIXED ASSETS - INVESTMENTS (UNLISTED)**

The company owns more than 10% of the share capital of the following companies:-

Name	Nature of business	Country of registration	Shares held	
			Class	%
<b>Subsidiary:</b>				
Micro Audit Limited	Non-trading	England	Ordinary	100%
Amyleau Limited	Non-trading	England	Ordinary	100%
<b>Associated:</b>				
Sutton & Phillips Limited	Manufacturing and consulting chemists	England	Ordinary	30.54%

	1999 £	1998 £
<b>COST:</b>		
At 1st April 1997	78,791	78,791
Additions	200,000	-
At 31st March 1998	278,791	78,791

**AMOUNTS WRITTEN OFF:**

Amortisation of investments	(4,167)	-
At 1st April 1998	7,181	(1,587)
Group share of post acquisition retained profit in related company	10,990	8,768
	<u>292,795</u>	<u>85,972</u>

On 30th October 1998, the company purchased the entire share capital, together with the brewing rights of Amyleau Limited a non-trading company. The directors consider that these rights have a useful economic life of 20 years and this investment is being written off over this expected useful life.

**5. SHARE CAPITAL**

	Authorised		Allotted, called-up and fully paid	
	1999 No.	1998 No.	1999 No.	1998 No.
Preference shares of £1 each	20,000	20,000	20,000	20,000
Ordinary shares of £1 each	20,000	20,000	20,000	20,000
	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>