

106442

MURPHY & SON LIMITED

Abbreviated Accounts

For The Year Ended 31 March 2013

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MURPHY & SON LIMITED (REGISTERED NUMBER 00106442)

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For The Year Ended 31 March 2013**

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MURPHY & SON LIMITED
Company Information
For The Year Ended 31 March 2013

DIRECTORS

J A Carmichael
S L Hale
J E S Dunn
B A McCluskie
Dr C J Fleming
S A Kelly

SECRETARY:

S L Hale

REGISTERED OFFICE

Alpine Street
Old Basford
Nottingham
NG6 0HQ

REGISTERED NUMBER

00106442

AUDITORS

Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
1-5 Nelson Street
Southend on Sea
Essex
SS1 1EG

BANKERS

Barclays Bank PLC
16 High Street
Harpenden
Hertfordshire
AL5 2TD

SOLICITORS

Nelsons
Pennine House
8 Stanford Street
Nottingham
NG1 7BQ

MURPHY & SON LIMITED (REGISTERED NUMBER 00106442)

**Report of the Directors
For The Year Ended 31 March 2013**

The directors present their report with the accounts of the company for the year ended 31 March 2013

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of consulting and manufacturing chemists

REVIEW OF BUSINESS

Our performance this year has been extremely encouraging having maintained our turnover in a very difficult economic climate, culminating in an improvement in underlying profitability, with the core business, in particular the micro sector and exports leading the way. The Catomance acquisition suffered from a loss of business in troubled Pakistan, but underlying this we are optimistic about some new opportunities seeding elsewhere and the UKAS laboratory registration should assist in getting the microbiological work back on track. The manual handling portfolio came under increasing strain due to a further decline in orders from the major distribution companies who have been adversely affected by more pub closures. As a result of declining sales and profitability in the acquired manual handling business we have taken the decision this year write off the balance of goodwill on these acquisitions amounting to £267,749. Your Board consider this a responsible decision that will reflect positively in the years ahead with reduced amortisation charges.

Our focus this year has been on maintaining margins, working smarter and expanding our laboratory services where we envisage some excellent opportunities to support our core business customers, with chargeable analysis's related to their growing due diligence obligations.

Before adjusting for the increased amortisation charge this year our underlying profit on ordinary activities before taxation would have been just under 8% ahead of last year, to reflect this your Board of Directors have decided to increase the Final Dividend to a record £200,000 in aggregate on both classes of shares which when added to the record Interim Dividends will make a total distribution for the year of £255,000 an overall increase of 10.87% on last year's record.

DIVIDENDS

Interim dividends per share were paid as follows

Ordinary £1 shares	£1 375	- 25 February 2013
Preference £1 shares	£1 375	- 25 February 2013

The directors recommend final dividends per share as follows

Ordinary £1 shares	£5 00
Preference £1 shares	£5 00

The total distribution of dividends for the year ended 31 March 2013 will be £255,000

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2012 to the date of this report

J A Carmichael
S L Hale
J E S Dunn
B A McCluskie
Dr C J Fleming
S A Kelly

**Report of the Directors
For The Year Ended 31 March 2013**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Wilkins Kennedy LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD


S L Hale - Secretary

29 May 2013

**Report of the Independent Auditors to
Murphy & Son Limited
Under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages five to seventeen, together with the full financial statements of Murphy & Son Limited for the year ended 31 March 2013 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin 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.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



M Norton (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
1-5 Nelson Street
Southend on Sea
Essex
SS1 1EG

29 May 2013

MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)

**Abbreviated Profit and Loss Account
For The Year Ended 31 March 2013**

		2013		2012	
	Notes	£	£	£	£
TURNOVER			6,752,895		6,732,804
Cost of sales and other operating income			(3,938,203)		(4,047,362)
			<u>2,814,692</u>		<u>2,685,442</u>
Distribution costs		695,516		693,511	
Administrative expenses		1,821,844		1,478,077	
			<u>2,517,360</u>		<u>2,171,588</u>
OPERATING PROFIT	3		297,332		513,854
Income from fixed asset investments		8,119		6,885	
Interest receivable and similar income		14,129		23,728	
			<u>22,248</u>		<u>30,613</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			319,580		544,467
Tax on profit on ordinary activities	4		<u>77,682</u>		<u>146,722</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			241,898		397,745
Extraordinary items after taxation	5		<u>-</u>		<u>(129,871)</u>
PROFIT FOR THE FINANCIAL YEAR			<u><u>241,898</u></u>		<u><u>267,874</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these abbreviated accounts

MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)

**Statement of Total Recognised Gains and Losses
For The Year Ended 31 March 2013**

	2013	2012
	£	£
PROFIT FOR THE FINANCIAL YEAR	241,898	267,874
Revaluation of investment properties	173,646	-
Disposal of investment properties	3,645	-
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	419,189	267,874
	<hr/>	<hr/>

The notes form part of these abbreviated accounts

MURPHY & SON LIMITED (REGISTERED NUMBER. 00106442)

Abbreviated Balance Sheet
31 March 2013

		2013	2012
	Notes	£	£
FIXED ASSETS			
Intangible assets	7	532,527	962,639
Tangible assets	8	3,713,456	3,571,199
Investments	9	200	200
		<u>4,246,183</u>	<u>4,534,038</u>
CURRENT ASSETS			
Stocks	10	1,052,486	1,077,443
Debtors	11	1,244,170	982,790
Investments	12	45,805	45,805
Cash at bank		1,061,758	827,855
		<u>3,404,219</u>	<u>2,933,893</u>
CREDITORS			
Amounts falling due within one year	13	1,177,913	1,159,347
NET CURRENT ASSETS		<u>2,226,306</u>	<u>1,774,546</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,472,489</u>	<u>6,308,584</u>
PROVISIONS FOR LIABILITIES	14	46,910	43,549
NET ASSETS		<u>6,425,579</u>	<u>6,265,035</u>
CAPITAL AND RESERVES			
Called up share capital	15	40,000	40,000
Revaluation reserve	16	268,096	98,095
Other reserves	16	501,313	501,313
Profit and loss account	16	5,616,170	5,625,627
SHAREHOLDERS' FUNDS	17	<u>6,425,579</u>	<u>6,265,035</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 29 May 2013 and were signed on its behalf by

J A Carmichael - Director

S L Hale - Director

The notes form part of these abbreviated accounts

MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)

**Cash Flow Statement
For The Year Ended 31 March 2013**

		2013	2012
	Notes	£	£
Net cash inflow from operating activities	1	851,501	502,382
Returns on investments and servicing of finance	2	22,248	30,613
Taxation		(125,585)	(310,421)
Capital expenditure	2	(279,261)	(1,129,931)
Equity dividends paid		(235,000)	(230,000)
Increase/(decrease) in cash in the period		<u>233,903</u>	<u>(1,137,357)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase/(decrease) in cash in the period		<u>233,903</u>	<u>(1,137,357)</u>
Change in net funds resulting from cash flows		<u>233,903</u>	<u>(1,137,357)</u>
Movement in net funds in the period		<u>233,903</u>	<u>(1,137,357)</u>
Net funds at 1 April		<u>873,660</u>	<u>2,011,017</u>
Net funds at 31 March		<u>1,107,563</u>	<u>873,660</u>

The notes form part of these abbreviated accounts

MURPHY & SON LIMITED (REGISTERED NUMBER. 00106442)

**Notes to the Cash Flow Statement
For The Year Ended 31 March 2013**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating profit	297,332	513,854
Depreciation charges	654,168	251,151
Loss/(profit) on disposal of fixed assets	4,119	(3,736)
Decrease/(increase) in stocks	24,957	(310,649)
Increase in debtors	(178,905)	(175,546)
Increase in creditors	49,830	227,308
Net cash inflow from operating activities	851,501	502,382

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	14,129	23,728
Dividends received	8,119	6,885
Net cash inflow for returns on investments and servicing of finance	22,248	30,613
Capital expenditure		
Purchase of intangible fixed assets	-	(710,034)
Purchase of tangible fixed assets	(335,725)	(510,904)
Sale of tangible fixed assets	56,464	91,007
Net cash outflow for capital expenditure	(279,261)	(1,129,931)

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/12	Cash flow	At
	£	£	31/3/13
			£
Net cash			
Cash at bank	827,855	233,903	1,061,758
	<u>827,855</u>	<u>233,903</u>	<u>1,061,758</u>
Liquid resources			
Current asset investments	45,805	-	45,805
	<u>45,805</u>	<u>-</u>	<u>45,805</u>
Total	873,660	233,903	1,107,563

The notes form part of these abbreviated accounts

Notes to the Abbreviated Accounts
For The Year Ended 31 March 2013

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Goodwill

Goodwill is being amortised evenly over its useful economic life of 5 years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold land and buildings	- in accordance with the property
Plant and machinery	- 20% on cost and 10% on cost
Furniture & equipment	- 20% on cost and 10% on cost
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

2 STAFF COSTS

	2013 £	2012 £
Wages and salaries	983,764	998,913
Other pension costs	79,546	86,199
	<u>1,063,310</u>	<u>1,085,112</u>

The average monthly number of employees during the year was as follows

	2013	2012
Directors	6	6
Production, distribution and office	46	46
	<u>52</u>	<u>52</u>

Notes to the Abbreviated Accounts - continued
For The Year Ended 31 March 2013

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2013	2012
	£	£
Depreciation - owned assets	224,056	180,293
Loss/(profit) on disposal of fixed assets	4,119	(3,736)
Goodwill amortisation	430,112	55,858
Auditors' remuneration	11,500	10,000
Foreign exchange differences	10,878	2,871
Amortisation of group undertakings	-	15,000
	<u>344,943</u>	<u>310,054</u>
Directors' remuneration	<u>344,943</u>	<u>310,054</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows

	2013	2012
	£	£
Emoluments etc	<u>153,120</u>	<u>124,503</u>

4 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2013	2012
	£	£
Current tax		
UK corporation tax	81,618	132,882
Corporation tax - prior period adjustment	(7,297)	-
Total current tax	<u>74,321</u>	<u>132,882</u>
Deferred tax	<u>3,361</u>	<u>13,840</u>
Tax on profit on ordinary activities	<u>77,682</u>	<u>146,722</u>

MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)

**Notes to the Abbreviated Accounts - continued
For The Year Ended 31 March 2013**

4 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2013 £	2012 £
Profit on ordinary activities before tax	<u>319,580</u>	<u>544,467</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2012 - 26%)	76,699	141,561
Effects of		
Expenses not deductible for tax purposes	6,075	2,561
Income not taxable for tax purposes	(1,949)	(1,790)
Capital allowances in excess of depreciation	-	(2,594)
Depreciation in excess of capital allowances	11,599	-
Adjustments to tax charge in respect of previous periods	(7,297)	7,297
Marginal rate relief	<u>(10,806)</u>	<u>(14,153)</u>
Current tax charge	<u>74,321</u>	<u>132,882</u>

5 EXTRAORDINARY ITEMS

	2013 £	2012 £
Extraordinary items	<u>-</u>	<u>(129,871)</u>

Profit on disposal of The Orchard £63,828 and investment in Sutton & Phillips Limited of £193,699 written off

6 DIVIDENDS

	2013 £	2012 £
Ordinary shares of £1 each		
Final	100,000	90,000
Interim	27,500	25,000
Preference shares of £1 each		
Final	100,000	90,000
Interim	27,500	25,000
	<u>255,000</u>	<u>230,000</u>

Notes to the Abbreviated Accounts - continued
For The Year Ended 31 March 2013

7 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2012	
and 31 March 2013	1,670,969
AMORTISATION	
At 1 April 2012	708,330
Amortisation for year	430,112
At 31 March 2013	1,138,442
NET BOOK VALUE	
At 31 March 2013	532,527
At 31 March 2012	962,639

Amortisation for the year includes £267,749 of goodwill written off in respect of manual handling acquisitions

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Investment properties £	Plant and machinery £
COST OR VALUATION			
At 1 April 2012	2,627,630	945,527	1,403,710
Additions	153,979	-	54,711
Disposals	-	(90,000)	-
Revaluations	-	173,646	-
At 31 March 2013	2,781,609	1,029,173	1,458,421
DEPRECIATION			
At 1 April 2012	599,528	-	1,200,000
Charge for year	91,488	-	59,099
Eliminated on disposal	-	-	-
At 31 March 2013	691,016	-	1,259,099
NET BOOK VALUE			
At 31 March 2013	2,090,593	1,029,173	199,322
At 31 March 2012	2,028,102	945,527	203,710

MURPHY & SON LIMITED (REGISTERED NUMBER. 00106442)

**Notes to the Abbreviated Accounts - continued
For The Year Ended 31 March 2013**

8 TANGIBLE FIXED ASSETS - continued

	Furniture & equipment £	Motor vehicles £	Laboratory apparatus £	Totals £
COST OR VALUATION				
At 1 April 2012	194,192	459,631	202,270	5,832,960
Additions	-	12,330	114,705	335,725
Disposals	-	(118,149)	-	(208,149)
Revaluations	-	-	-	173,646
At 31 March 2013	<u>194,192</u>	<u>353,812</u>	<u>316,975</u>	<u>6,134,182</u>
DEPRECIATION				
At 1 April 2012	163,034	214,536	84,663	2,261,761
Charge for year	7,796	54,957	10,716	224,056
Eliminated on disposal	-	(65,091)	-	(65,091)
At 31 March 2013	<u>170,830</u>	<u>204,402</u>	<u>95,379</u>	<u>2,420,726</u>
NET BOOK VALUE				
At 31 March 2013	<u>23,362</u>	<u>149,410</u>	<u>221,596</u>	<u>3,713,456</u>
At 31 March 2012	<u>31,158</u>	<u>245,095</u>	<u>117,607</u>	<u>3,571,199</u>

The investment properties were valued in March 2013 by Hammond Property Services in respect of properties in the Nottingham area and by Master Moves in respect of properties in the Wheathampstead area, and are shown at realisable value. All properties are valued at open market value after reflecting existing tenancy agreements.

9 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2012 and 31 March 2013	<u>6,134</u>
PROVISIONS	
At 1 April 2012 and 31 March 2013	<u>5,934</u>
NET BOOK VALUE	
At 31 March 2013	<u>200</u>
At 31 March 2012	<u>200</u>

Notes to the Abbreviated Accounts - continued
For The Year Ended 31 March 2013

9 **FIXED ASSET INVESTMENTS - continued**

The company's investments at the balance sheet date in the share capital of companies include the following

Micro Audit Limited

Nature of business Non-trading

Class of shares	% holding
Ordinary	100 00

10 **STOCKS**

	2013 £	2012 £
Stocks	<u>1,052,486</u>	<u>1,077,443</u>

11 **DEBTORS**

	2013 £	2012 £
Amounts falling due within one year		
Trade debtors	1,118,441	955,245
Other debtors	<u>48,303</u>	<u>27,545</u>
	<u>1,166,744</u>	<u>982,790</u>

Amounts falling due after more than one year
Other debtors

<u>77,426</u>	<u>-</u>
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Aggregate amounts

<u>1,244,170</u>	<u>982,790</u>
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12 **CURRENT ASSET INVESTMENTS**

	2013 £	2012 £
Listed investments	<u>45,805</u>	<u>45,805</u>

Market value of listed investments at 31 March 2013 - £222,570 (2012 - £188,840)

13 **CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £	2012 £
Trade creditors	483,327	480,461
Tax	81,618	132,882
Proposed dividends	200,000	180,000
Other creditors	<u>412,968</u>	<u>366,004</u>
	<u>1,177,913</u>	<u>1,159,347</u>

MURPHY & SON LIMITED (REGISTERED NUMBER 00106442)

**Notes to the Abbreviated Accounts - continued
For The Year Ended 31 March 2013**

14 PROVISIONS FOR LIABILITIES

	2013	2012
	£	£
Deferred tax	<u>46,910</u>	<u>43,549</u>
		Deferred tax
		£
Balance at 1 April 2012		43,549
Accelerated capital allowances		<u>3,361</u>
Balance at 31 March 2013		<u><u>46,910</u></u>

15 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid				
Number	Class	Nominal value	2013	2012
			£	£
20,000	Ordinary	£1	20,000	20,000
20,000	Preference	£1	20,000	20,000
			<u>40,000</u>	<u>40,000</u>

16 RESERVES

	Profit and loss account	Revaluation reserve	Other reserves	Totals
	£	£	£	£
At 1 April 2012	5,625,627	98,095	501,313	6,225,035
Profit for the year	241,898			241,898
Dividends	(255,000)			(255,000)
Revaluation	-	173,646	-	173,646
Disposal	3,645	(3,645)	-	-
At 31 March 2013	<u><u>5,616,170</u></u>	<u><u>268,096</u></u>	<u><u>501,313</u></u>	<u><u>6,385,579</u></u>

Notes to the Abbreviated Accounts - continued
For The Year Ended 31 March 2013

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	241,898	267,874
Dividends	(255,000)	(230,000)
	(13,102)	37,874
Other recognised gains and losses relating to the year (net)	177,291	-
Disposal of investment property	(3,645)	-
Net addition to shareholders' funds	160,544	37,874
Opening shareholders' funds	6,265,035	6,227,161
Closing shareholders' funds	6,425,579	6,265,035

18 DEFERRED TAXATION

If the freehold land and buildings and investment properties were sold for the value included in the financial statements then a tax liability of £53,619 (2012 £24,524) would arise. Such a liability would only arise on the disposal of the property.