
MURPHY & SON LIMITED
Strategic Report, Report of the Directors and
Financial Statements
For The Year Ended 31st March 2016

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For The Year Ended 31st March 2016

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MURPHY & SON LIMITED

Company Information
For The Year Ended 31st March 2016

DIRECTORS:

J A Carmichael
S L Hale
J E S Dunn
B A McCluskie
Dr C J Fleming
C W R Nicholds

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

Strategic Report
For The Year Ended 31st March 2016

The directors present their strategic report for the year ended 31st March 2016.

REVIEW OF BUSINESS

This year we have achieved an excellent 5% growth in turnover, with core sales and exports both performing well in a competitive market. The UK micro brewing sector continues to perform well and we have decided to take our model over to North America with the recruitment of a technical sales representative where the Craft Breweries are growing rapidly and are revealing a market for many of our products and expertise.

Domestically we departed company with our Finance and Operations Director. This temporarily stalled progress on our site-refurbishment programme, which is gathering pace again with the expected demand on our liquid resources. While the cash balances currently remain healthy we expect them to deplete in a controlled and strategic manner as the site upgrading process moves forward in the next few years.

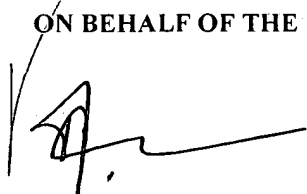
Finally, we are pleased to announce the promotion to the Board of Charles Nicholds, where he will continue to focus on sales development and extend his expertise over the production function.

PRINCIPAL RISKS AND UNCERTAINTIES

We foresee few risks and uncertainties in our business operation unless there is a decline in beer consumption, which would be unexpected in the current climate.

The program of site development will include improvements to take account of the Health and Safety, Environmental and Food legislation requirements that the Company is committed to meeting and to ensure best practice is adhered to.

ON BEHALF OF THE BOARD:



J A Carmichael - Director

22nd June 2016

Report of the Directors
For The Year Ended 31st March 2016

The directors present their report with the financial statements of the company for the year ended 31st March 2016.

PRINCIPAL ACTIVITY

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

DIVIDENDS

Interim dividends per share were paid as follows:

Ordinary £1 shares	£5.00	- 13 July 2015
	£1.375	- 22 February 2016
	<u>£6.375</u>	
Preference £1 shares	£5.00	- 13 July 2015
	£1.375	- 22 February 2016
	<u>£6.375</u>	

The directors recommend final dividends per share as follows:

Ordinary £1 shares	£5.25
Preference £1 shares	£5.25

The total distribution of dividends for the year ended 31 March 2016 will be £265,000

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2015 to the date of this report.

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

Other changes in directors holding office are as follows:

S A Kelly - resigned 21st August 2015
C W R Nicholds - appointed 10th July 2015

Report of the Directors
For The Year Ended 31st March 2016

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.

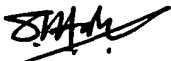
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

22nd June 2016

Report of the Independent Auditors to the Members of Murphy & Son Limited

We have audited the financial statements of Murphy & Son Limited for the year ended 31st March 2016 on pages seven to twenty four. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page four, 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 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors 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 31st March 2016 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

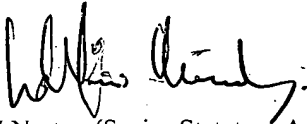
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Murphy & Son 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.



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

22nd June 2016

MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)

Income Statement
For The Year Ended 31st March 2016

		2016		2015	
	Notes	£	£	£	£
TURNOVER			8,081,403		7,681,174
Cost of sales			5,067,189		4,872,342
GROSS PROFIT			3,014,214		2,808,832
Distribution costs		753,742		743,788	
Administrative expenses		1,771,191		1,599,114	
			2,524,933		2,342,902
			489,281		465,930
Other operating income			83,482		39,499
OPERATING PROFIT	3		572,763		505,429
Income from fixed asset investments		5,488		8,988	
Interest receivable and similar income		7,347		10,053	
			12,835		19,041
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			585,598		524,470
Tax on profit on ordinary activities	4		82,293		131,984
PROFIT FOR THE FINANCIAL YEAR			503,305		392,486

The notes form part of these financial statements

MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)

**Other Comprehensive Income
For The Year Ended 31st March 2016**

	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		503,305	392,486
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>503,305</u>	<u>392,486</u>

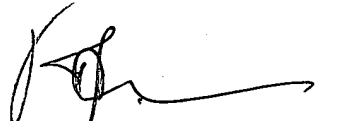
The notes form part of these financial statements

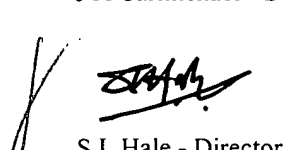
MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)

Balance Sheet
31st March 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	6	106,506	248,513
Tangible assets	7	3,816,319	3,625,089
Investments	8	200	200
		<u>3,923,025</u>	<u>3,873,802</u>
CURRENT ASSETS			
Stocks	9	1,380,664	1,356,603
Debtors	10	1,366,059	1,400,636
Investments	11	112,681	234,686
Cash at bank		1,717,249	1,038,981
		<u>4,576,653</u>	<u>4,030,906</u>
CREDITORS			
Amounts falling due within one year	12	1,281,739	914,623
NET CURRENT ASSETS		<u>3,294,914</u>	<u>3,116,283</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,217,939</u>	<u>6,990,085</u>
PROVISIONS FOR LIABILITIES	13	153,441	173,892
NET ASSETS		<u><u>7,064,498</u></u>	<u><u>6,816,193</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	40,000	40,000
Other reserves	15	-	501,313
Retained earnings	15	7,024,498	6,274,880
SHAREHOLDERS' FUNDS		<u><u>7,064,498</u></u>	<u><u>6,816,193</u></u>

The financial statements were approved by the Board of Directors on 22nd June 2016 and were signed on its behalf by:


J A Carmichael - Director


S L Hale - Director

The notes form part of these financial statements

MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)

Statement of Changes in Equity
For The Year Ended 31st March 2016

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1st April 2014	40,000	6,137,394	501,313	6,678,707
Changes in equity				
Dividends	-	(255,000)	-	(255,000)
Total comprehensive income	-	392,486	-	392,486
Balance at 31st March 2015	40,000	6,274,880	501,313	6,816,193
Changes in equity				
Dividends	-	(255,000)	-	(255,000)
Total comprehensive income	-	1,004,618	(501,313)	503,305
Balance at 31st March 2016	40,000	7,024,498	-	7,064,498

The notes form part of these financial statements

MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)

**Cash Flow Statement
For The Year Ended 31st March 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	1,389,503	752,547
Tax paid		(125,952)	(102,063)
Net cash from operating activities		<u>1,263,551</u>	<u>650,484</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(483,519)	(160,757)
Sale of tangible fixed assets		16,030	23,832
Sale of listed investments		119,225	-
Interest received		7,347	10,053
Dividends received		5,488	8,988
Net cash from investing activities		<u>(335,429)</u>	<u>(117,884)</u>
Cash flows from financing activities			
Loan repayments in year		5,146	5,050
Equity dividends paid		(255,000)	(255,000)
Net cash from financing activities		<u>(249,854)</u>	<u>(249,950)</u>
Increase in cash and cash equivalents		<u>678,268</u>	<u>282,650</u>
Cash and cash equivalents at beginning of year	2	<u>1,038,981</u>	<u>756,331</u>
Cash and cash equivalents at end of year	2	<u><u>1,717,249</u></u>	<u><u>1,038,981</u></u>

The notes form part of these financial statements

MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)

**Notes to the Cash Flow Statement
For The Year Ended 31st March 2016**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	585,598	524,470
Depreciation charges	423,800	417,130
Loss/(profit) on disposal of fixed assets	11,265	(6,728)
Change in value of listed investments	2,780	(14,678)
Revaluation of investment properties	(16,799)	-
Finance income	(12,835)	(19,041)
	<u>993,809</u>	<u>901,153</u>
(Increase)/decrease in stocks	(24,061)	274,141
Decrease/(increase) in trade and other debtors	29,431	(377,910)
Increase/(decrease) in trade and other creditors	<u>390,324</u>	<u>(44,837)</u>
Cash generated from operations	<u><u>1,389,503</u></u>	<u><u>752,547</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st March 2016

	31/3/16	1/4/15
	£	£
Cash and cash equivalents	<u>1,717,249</u>	<u>1,038,981</u>

Year ended 31st March 2015

	31/3/15	1/4/14
	£	£
Cash and cash equivalents	<u>1,038,981</u>	<u>756,331</u>

The notes form part of these financial statements

Notes to the Financial Statements
For The Year Ended 31st March 2016

I. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in the notes to the financial statements.

In the opinion of the directors, it remains appropriate to continue to adopt the going concern basis of accounting.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

No depreciation is charged on assets in the course of construction.

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 profit or loss in the period to which they relate.

Investment property

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Listed investments

Listed investments are stated at fair value in accordance with FRS 102. Changes to fair value are recognised in profit or loss.

Notes to the Financial Statements - continued
For The Year Ended 31st March 2016

2. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	1,167,500	1,083,137
Other pension costs	83,158	81,154
	<u>1,250,658</u>	<u>1,164,291</u>

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

	2016	2015
Directors	6	6
Production, distribution and office	50	49
	<u>56</u>	<u>55</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation - owned assets	281,793	275,123
Loss/(profit) on disposal of fixed assets	11,265	(6,728)
Goodwill amortisation	142,007	142,007
Auditors' remuneration	13,000	12,500
Auditors' remuneration for non audit work	16,700	2,200
Foreign exchange differences	(27,342)	17,231
Rents receivable - operating leases	<u>(42,121)</u>	<u>(42,052)</u>
Directors' remuneration	361,625	343,243
Compensation to director for loss of office	<u>53,324</u>	<u>-</u>

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

	2016	2015
Money purchase schemes	<u>3</u>	<u>3</u>

Information regarding the highest paid director is as follows:

	2016	2015
	£	£
Emoluments etc	<u>171,589</u>	<u>152,408</u>

Notes to the Financial Statements - continued
For The Year Ended 31st March 2016

4. TAXATION

Analysis of the tax charge

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

	2016 £	2015 £
Current tax:		
UK corporation tax	102,744	125,952
Deferred tax	(20,451)	6,032
Tax on profit on ordinary activities	<u>82,293</u>	<u>131,984</u>

Reconciliation of total tax charge included in profit and loss

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

	2016 £	2015 £
Profit on ordinary activities before tax	<u>585,598</u>	<u>524,470</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	117,120	110,139
Effects of:		
Expenses not deductible for tax purposes	3,484	8,989
Income not taxable for tax purposes	(3,902)	(1,887)
Capital allowances in excess of depreciation	(13,958)	-
Depreciation in excess of capital allowances	-	13,958
Marginal rate relief	-	(2,164)
Deferred tax movement	(20,451)	2,949
Total tax charge	<u>82,293</u>	<u>131,984</u>

5. DIVIDENDS

	2016 £	2015 £
Ordinary shares of £1 each		
Interim	127,500	127,500
Preference shares of £1 each		
Interim	<u>127,500</u>	<u>127,500</u>
	<u>255,000</u>	<u>255,000</u>

Notes to the Financial Statements - continued
For The Year Ended 31st March 2016

6. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1st April 2015	
and 31st March 2016	1,670,969
AMORTISATION	
At 1st April 2015	1,422,456
Amortisation for year	142,007
At 31st March 2016	1,564,463
NET BOOK VALUE	
At 31st March 2016	106,506
At 31st March 2015	248,513

7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Investment properties £	Plant and machinery £
COST OR VALUATION			
At 1st April 2015	2,805,515	1,029,173	1,512,542
Additions	221,031	-	193,493
Disposals	(17,822)	-	(49,759)
Reclassification/transfer	16,799	-	-
At 31st March 2016	3,025,523	1,029,173	1,656,276
DEPRECIATION			
At 1st April 2015	886,276	-	1,348,835
Charge for year	96,748	-	64,934
Eliminated on disposal	(12,110)	-	(46,023)
At 31st March 2016	970,914	-	1,367,746
NET BOOK VALUE			
At 31st March 2016	2,054,609	1,029,173	288,530
At 31st March 2015	1,919,239	1,029,173	163,707

Notes to the Financial Statements - continued
For The Year Ended 31st March 2016

7. TANGIBLE FIXED ASSETS - continued

	Furniture & equipment £	Motor vehicles £	Laboratory apparatus £	Totals £
COST OR VALUATION				
At 1st April 2015	208,051	438,348	416,928	6,410,557
Additions	26,383	40,170	2,442	483,519
Disposals	(12,906)	(39,332)	(1,154)	(120,973)
Reclassification/transfer	-	-	-	16,799
At 31st March 2016	221,528	439,186	418,216	6,789,902
DEPRECIATION				
At 1st April 2015	187,119	186,316	176,922	2,785,468
Charge for year	6,993	69,595	43,523	281,793
Eliminated on disposal	(7,647)	(26,792)	(1,106)	(93,678)
At 31st March 2016	186,465	229,119	219,339	2,973,583
NET BOOK VALUE				
At 31st March 2016	35,063	210,067	198,877	3,816,319
At 31st March 2015	20,932	252,032	240,006	3,625,089

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 fair value. All properties are valued at open market value after reflecting existing tenancy agreements. In the directors' opinion, the fair value of investment property at the balance sheet date is not materially different from the carrying value included in the accounts.

Cost or valuation at 31st March 2016 is represented by:

	Freehold land and buildings £	Investment properties £	Plant and machinery £
Valuation in 2013	-	1,029,173	-
Cost	3,025,523	-	1,656,276
	3,025,523	1,029,173	1,656,276

	Furniture & equipment £	Motor vehicles £	Laboratory apparatus £	Totals £
Valuation in 2013	-	-	-	1,029,173
Cost	221,528	439,186	418,216	5,760,729
	221,528	439,186	418,216	6,789,902

Notes to the Financial Statements - continued
For The Year Ended 31st March 2016

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1st April 2015 and 31st March 2016	<u>6,134</u>
PROVISIONS	
At 1st April 2015 and 31st March 2016	<u>5,934</u>
NET BOOK VALUE	
At 31st March 2016	<u>200</u>
At 31st March 2015	<u>200</u>

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

	% holding
Class of shares:	
Ordinary	100.00

9. STOCKS

	2016 £	2015 £
Stocks	<u>1,380,664</u>	<u>1,356,603</u>

10. DEBTORS

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,267,086	1,261,756
Other debtors	<u>36,794</u>	<u>71,554</u>
	<u>1,303,880</u>	<u>1,333,310</u>
Amounts falling due after more than one year:		
Other debtors	<u>62,179</u>	<u>67,326</u>
Aggregate amounts	<u>1,366,059</u>	<u>1,400,636</u>

MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)

**Notes to the Financial Statements - continued
For The Year Ended 31st March 2016**

11. CURRENT ASSET INVESTMENTS

	2016	2015
	£	£
Listed investments	<u>112,681</u>	<u>234,686</u>
Market value of listed investments at 31st March 2016 - £112,681 (2015 - £234,686).		

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	801,351	426,701
Tax	102,744	125,952
Social security and other taxes	110,237	143,764
Other creditors	267,407	218,206
	<u>1,281,739</u>	<u>914,623</u>

13. PROVISIONS FOR LIABILITIES

	2016	2015
	£	£
Deferred tax		
Accelerated capital allowances	97,092	82,497
Revaluation of investment properties	48,432	53,619
Market value of current asset investments	7,917	37,776
	<u>153,441</u>	<u>173,892</u>

	Deferred tax
	£
Balance at 1st April 2015	173,892
Credit to Income Statement during year	(35,046)
Accelerated capital allowances	14,595
	<u>153,441</u>
Balance at 31st March 2016	

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2016	2015
Number:	Class:	Nominal value:	£	£
20,000	Ordinary	£1	20,000	20,000
20,000	Preference	£1	20,000	20,000
			<u>40,000</u>	<u>40,000</u>

MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)

**Notes to the Financial Statements - continued
For The Year Ended 31st March 2016**

15. RESERVES

	Retained earnings £	Other reserves £	Totals £
At 1st April 2015	6,274,880	501,313	6,776,193
Profit for the year	503,305		503,305
Dividends	(255,000)		(255,000)
Transfer between reserves	501,313	(501,313)	-
At 31st March 2016	<u>7,024,498</u>	<u>-</u>	<u>7,024,498</u>

16. ULTIMATE CONTROLLING PARTY

In the board of directors opinion the company is under the control of the The Trustees of A J Murphy Deceased of which all of the trustees, Mr J A Carmichael, Mr S L Hale and Mr J E S Dunn are also directors of Murphy & Son Limited.

MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)

Reconciliation of Equity
1st April 2014
(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		390,520	-	390,520
Tangible assets		3,756,559	-	3,756,559
Investments		200	-	200
		<u>4,147,279</u>	<u>-</u>	<u>4,147,279</u>
CURRENT ASSETS				
Stocks		1,630,744	-	1,630,744
Debtors		1,027,776	-	1,027,776
Investments	1	45,805	174,203	220,008
Cash at bank		756,331	-	756,331
		<u>3,460,656</u>	<u>174,203</u>	<u>3,634,859</u>
CREDITORS				
Amounts falling due within one year		(935,571)	-	(935,571)
NET CURRENT ASSETS		<u>2,525,085</u>	<u>174,203</u>	<u>2,699,288</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,672,364</u>	<u>174,203</u>	<u>6,846,567</u>
PROVISIONS FOR LIABILITIES	2	<u>(79,400)</u>	<u>(88,460)</u>	<u>(167,860)</u>
NET ASSETS		<u>6,592,964</u>	<u>85,743</u>	<u>6,678,707</u>
CAPITAL AND RESERVES				
Called up share capital		40,000	-	40,000
Revaluation reserve	3	268,096	(268,096)	-
Other reserves		501,313	-	501,313
Retained earnings		5,783,555	353,839	6,137,394
SHAREHOLDERS' FUNDS		<u>6,592,964</u>	<u>85,743</u>	<u>6,678,707</u>

The notes form part of these financial statements

MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)

Reconciliation of Equity - continued
31st March 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		248,513	-	248,513
Tangible assets		3,625,089	-	3,625,089
Investments		200	-	200
		<u>3,873,802</u>	<u>-</u>	<u>3,873,802</u>
CURRENT ASSETS				
Stocks		1,356,603	-	1,356,603
Debtors		1,400,636	-	1,400,636
Investments	1	45,805	188,881	234,686
Cash at bank		1,038,981	-	1,038,981
		<u>3,842,025</u>	<u>188,881</u>	<u>4,030,906</u>
CREDITORS				
Amounts falling due within one year		(914,623)	-	(914,623)
NET CURRENT ASSETS		<u>2,927,402</u>	<u>188,881</u>	<u>3,116,283</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,801,204	188,881	6,990,085
PROVISIONS FOR LIABILITIES	2	<u>(82,497)</u>	<u>(91,395)</u>	<u>(173,892)</u>
NET ASSETS		<u>6,718,707</u>	<u>97,486</u>	<u>6,816,193</u>
CAPITAL AND RESERVES				
Called up share capital		40,000	-	40,000
Revaluation reserve	3	268,096	(268,096)	-
Other reserves		501,313	-	501,313
Retained earnings		5,909,298	365,582	6,274,880
SHAREHOLDERS' FUNDS		<u>6,718,707</u>	<u>97,486</u>	<u>6,816,193</u>

The notes form part of these financial statements

Reconciliation of Equity - continued
31st March 2015

Notes to the reconciliation of equity

1. Listed investments

FRS 102 requires listed investments to be included on the Balance Sheet at their fair value with any subsequent changes in fair value to be recognised in the Income Statement. This has resulted in the company's retained earnings increasing by £174,203 on transition to FRS 102. In the year ended 31 March 2015 the increase in the fair value of listed investments of £14,678 has been recognised in the Income Statement.

2. Deferred tax

FRS 102 requires deferred tax arising on the revaluation of investment property to be recognised as a liability in the financial statements. This has resulted in the company's retained earnings decreasing by £53,619 on transition to FRS 102. In addition, it has been necessary to recognise deferred tax relating to listed investments carried at fair value. This has resulted in the company's retained earnings decreasing by £34,841 on transition to FRS 102. In the year ended 31 March 2015 a further liability of £2,935 has been recognised reflecting the change in fair value of the listed investments held by the company.

3. Revaluation of investment property

FRS 102 requires revaluation surpluses arising on changes in the fair value of investment properties to be recognised in the Income Statement. This has resulted in the company's retained earnings increasing by £268,096 on transition to FRS 102.

Reconciliation of Profit
For The Year Ended 31st March 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER		7,681,174	-	7,681,174
Cost of sales		(4,872,342)	-	(4,872,342)
GROSS PROFIT		2,808,832	-	2,808,832
Distribution costs		(743,788)	-	(743,788)
Administrative expenses		(1,599,114)	-	(1,599,114)
Other operating income	1	24,821	14,678	39,499
OPERATING PROFIT		490,751	14,678	505,429
Income from fixed asset investments		8,988	-	8,988
Interest receivable and similar income		10,053	-	10,053
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		509,792	14,678	524,470
Tax on profit on ordinary activities	2	(129,049)	(2,935)	(131,984)
PROFIT FOR THE FINANCIAL YEAR		380,743	11,743	392,486

Notes to the reconciliation of profit or loss

1. Listed investments

FRS 102 requires listed investments to be included on the Balance Sheet at their fair value with any subsequent changes in fair value to be recognised in the Income Statement. This has resulted in the company's retained earnings increasing by £174,203 on transition to FRS 102. In the year ended 31 March 2015 the increase in the fair value of listed investments of £14,678 has been recognised in the Income Statement.

2. Deferred tax

FRS 102 requires deferred tax arising on the revaluation of investment property to be recognised as a liability in the financial statements. This has resulted in the company's retained earnings decreasing by £53,619 on transition to FRS 102. In addition, it has been necessary to recognise deferred tax relating to listed investments carried at fair value. This has resulted in the company's retained earnings decreasing by £34,841 on transition to FRS 102. In the year ended 31 March 2015 a further liability of £2,935 has been recognised reflecting the change in fair value of the listed investments held by the company.