

**MURPHY & SON LIMITED****Abbreviated Accounts****For The Year Ended 31st March 2015**

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For The Year Ended 31st March 2015**

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**MURPHY & SON LIMITED**  
**Company Information**  
**For The Year Ended 31st March 2015**

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**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

**Strategic Report  
For The Year Ended 31st March 2015**

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The directors present their strategic report for the year ended 31st March 2015.

**REVIEW OF BUSINESS**

The year under review has achieved a very encouraging increase in turnover, with notable increases from exports and the micro-brewery sector. However this has been at the cost of an ongoing erosion of margins, which has in part been due to an increase in staffing levels to improve compliance, together with an expansion of our technical team and laboratory services. The profit has also taken a hit by keeping in line with our prudent accounting policies. We have written down some stock valuations in accordance with the lower of cost or realisable value.

Following on from the advice given last year, a great deal of time has been spent investigating where improvements are required on site. Some involving planning issues, others involving extensive external consultancy input, both containing ideas and solutions which we anticipate moving ahead with in the year now current. This we expect will materially deplete our cash resources and will become part of a five to ten year plan of ongoing expenditure to achieve our ambition of establishing an exceptional manufacturing environment in which to manufacture our products and in which our employees work.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'J A Carmichael', followed by a long horizontal line extending to the right.

J A Carmichael - Director

27th May 2015

**Report of the Directors  
For The Year Ended 31st March 2015**

The directors present their report with the accounts of the company for the year ended 31st March 2015.

**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	- 28 May 2014
	£1.375	- 25 February 2015
	<u>£6.375</u>	
Preference £1 shares	£5.00	- 28 May 2014
	£1.375	- 25 February 2015
	<u>£6.375</u>	

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 2015 will be £255,000

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st April 2014 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

**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.

**Report of the Directors  
For The Year Ended 31st March 2015**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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

27th May 2015

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

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We have examined the abbreviated accounts set out on pages six to sixteen, together with the full financial statements of Murphy & Son Limited for the year ended 31st March 2015 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

27th May 2015

**MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)****Abbreviated Profit and Loss Account  
For The Year Ended 31st March 2015**

	Notes	2015 £	2014 £
<b>TURNOVER</b>		<b>7,681,174</b>	<b>6,824,924</b>
Cost of sales and other operating income		<b>(4,847,521)</b>	<b>(3,998,686)</b>
		<b>2,833,653</b>	<b>2,826,238</b>
Distribution costs		<b>743,788</b>	<b>726,182</b>
Administrative expenses		<b>1,599,114</b>	<b>1,567,355</b>
		<b>2,342,902</b>	<b>2,293,537</b>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>490,751</b>	<b>532,701</b>
Income from fixed asset investments		<b>8,988</b>	<b>14,447</b>
Interest receivable and similar income		<b>10,053</b>	<b>9,790</b>
		<b>19,041</b>	<b>24,237</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>509,792</b>	<b>556,938</b>
Tax on profit on ordinary activities	<b>4</b>	<b>129,049</b>	<b>134,553</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>380,743</b>	<b>422,385</b>

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these abbreviated accounts

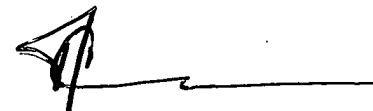
**MURPHY & SON LIMITED (REGISTERED NUMBER: 00106442)**

**Abbreviated Balance Sheet  
31st March 2015**

	Notes	2015		2014	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	6		248,513		390,520
Tangible assets	7		3,625,089		3,756,559
Investments	8		200		200
			<u>3,873,802</u>		<u>4,147,279</u>
<b>CURRENT ASSETS</b>					
Stocks	9	1,356,603		1,630,744	
Debtors	10	1,400,636		1,027,776	
Investments	11	45,805		45,805	
Cash at bank		1,038,981		756,331	
		<u>3,842,025</u>		<u>3,460,656</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	914,623		935,571	
<b>NET CURRENT ASSETS</b>			<u>2,927,402</u>		<u>2,525,085</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>6,801,204</u>		<u>6,672,364</u>
<b>PROVISIONS FOR LIABILITIES</b>	13		82,497		79,400
<b>NET ASSETS</b>			<u><u>6,718,707</u></u>		<u><u>6,592,964</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		40,000		40,000
Revaluation reserve	15		268,096		268,096
Other reserves	15		501,313		501,313
Profit and loss account	15		5,909,298		5,783,555
<b>SHAREHOLDERS' FUNDS</b>	17		<u><u>6,718,707</u></u>		<u><u>6,592,964</u></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 27th May 2015 and were signed on its behalf by:

  
J A Carmichael - Director

  
S L Hale - Director

The notes form part of these abbreviated accounts

**Cash Flow Statement  
For The Year Ended 31st March 2015**

	Notes	2015 £	2014 £
<b>Net cash inflow from operating activities</b>	1	752,547	502,937
<b>Returns on investments and servicing of finance</b>	2	19,041	24,237
<b>Taxation</b>		(102,063)	(81,618)
<b>Capital expenditure</b>	2	(131,875)	(295,983)
<b>Equity dividends paid</b>		(255,000)	(455,000)
<b>Increase/(decrease) in cash in the period</b>		<u>282,650</u>	<u>(305,427)</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
Increase/(decrease) in cash in the period		<u>282,650</u>	<u>(305,427)</u>
Change in net funds resulting from cash flows		<u>282,650</u>	<u>(305,427)</u>
<b>Movement in net funds in the period</b>		<u>282,650</u>	<u>(305,427)</u>
<b>Net funds at 1st April</b>		<u>802,136</u>	<u>1,107,563</u>
<b>Net funds at 31st March</b>		<u>1,084,786</u>	<u>802,136</u>

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement  
For The Year Ended 31st March 2015

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

	2015 £	2014 £
Operating profit	490,751	532,701
Depreciation charges	417,130	408,194
Profit on disposal of fixed assets	(6,728)	(8,257)
Decrease/(increase) in stocks	274,141	(578,258)
(Increase)/decrease in debtors	(377,910)	211,344
Decrease in creditors	(44,837)	(62,787)
<b>Net cash inflow from operating activities</b>	<b>752,547</b>	<b>502,937</b>

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

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	10,053	9,790
Dividends received	8,988	14,447
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>19,041</b>	<b>24,237</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(160,757)	(318,629)
Sale of tangible fixed assets	28,882	22,646
<b>Net cash outflow for capital expenditure</b>	<b>(131,875)</b>	<b>(295,983)</b>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/14 £	Cash flow £	At 31/3/15 £
Net cash:			
Cash at bank	756,331	282,650	1,038,981
	<u>756,331</u>	<u>282,650</u>	<u>1,038,981</u>
Liquid resources:			
Current asset investments	45,805	-	45,805
	<u>45,805</u>	<u>-</u>	<u>45,805</u>
<b>Total</b>	<b>802,136</b>	<b>282,650</b>	<b>1,084,786</b>

The notes form part of these abbreviated accounts

Notes to the Abbreviated Accounts  
For The Year Ended 31st March 2015

1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

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

**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

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 the profit and loss account in the period to which they relate.

2. STAFF COSTS

	2015 £	2014 £
Wages and salaries	1,083,137	1,034,498
Other pension costs	81,154	91,715
	<u>1,164,291</u>	<u>1,126,213</u>

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

	2015	2014
Directors	6	6
Production, distribution and office	49	45
	<u>55</u>	<u>51</u>

Notes to the Abbreviated Accounts - continued  
For The Year Ended 31st March 2015

3. **OPERATING PROFIT**

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

	2015 £	2014 £
Depreciation - owned assets	275,123	266,187
Profit on disposal of fixed assets	(6,728)	(8,257)
Goodwill amortisation	142,007	142,007
Auditors' remuneration	12,500	12,000
Auditors' remuneration for non audit work	2,200	3,700
Foreign exchange differences	17,231	(254)
Rents receivable - operating leases	(42,052)	(42,469)
	<u>343,243</u>	<u>365,636</u>
Directors' remuneration	<u>343,243</u>	<u>365,636</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:

	2015 £	2014 £
Emoluments etc	<u>152,408</u>	<u>154,546</u>

4. **TAXATION**

**Analysis of the tax charge**

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

	2015 £	2014 £
Current tax:		
UK corporation tax	125,952	102,063
Deferred tax	<u>3,097</u>	<u>32,490</u>
Tax on profit on ordinary activities	<u>129,049</u>	<u>134,553</u>

Notes to the Abbreviated Accounts - continued  
For The Year Ended 31st March 2015

## 4. TAXATION - continued

**Factors affecting the tax charge**

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

	2015 £	2014 £
Profit on ordinary activities before tax	<u>509,792</u>	<u>556,938</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 - 23%)	107,056	128,096
Effects of:		
Expenses not deductible for tax purposes	8,989	1,679
Income not taxable for tax purposes	(1,887)	(3,323)
Capital allowances in excess of depreciation	-	(17,073)
Depreciation in excess of capital allowances	13,958	-
Marginal rate relief	<u>(2,164)</u>	<u>(7,316)</u>
Current tax charge	<u>125,952</u>	<u>102,063</u>

## 5. DIVIDENDS

	2015 £	2014 £
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>

## 6. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1st April 2014 and 31st March 2015	<u>1,670,969</u>
<b>AMORTISATION</b>	
At 1st April 2014	1,280,449
Amortisation for year	<u>142,007</u>
At 31st March 2015	<u>1,422,456</u>
<b>NET BOOK VALUE</b>	
At 31st March 2015	<u>248,513</u>
At 31st March 2014	<u>390,520</u>

Notes to the Abbreviated Accounts - continued  
For The Year Ended 31st March 2015

## 7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Investment properties £	Plant and machinery £
<b>COST OR VALUATION</b>			
At 1st April 2014	2,792,413	1,029,173	1,531,353
Additions	13,102	-	12,067
Disposals	-	-	(30,878)
At 31st March 2015	2,805,515	1,029,173	1,512,542
<b>DEPRECIATION</b>			
At 1st April 2014	791,777	-	1,317,849
Charge for year	94,499	-	57,810
Eliminated on disposal	-	-	(26,824)
At 31st March 2015	886,276	-	1,348,835
<b>NET BOOK VALUE</b>			
At 31st March 2015	1,919,239	1,029,173	163,707
At 31st March 2014	2,000,636	1,029,173	213,504

	Furniture & equipment £	Motor vehicles £	Laboratory apparatus £	Totals £
<b>COST OR VALUATION</b>				
At 1st April 2014	202,566	394,377	416,928	6,366,810
Additions	5,485	130,103	-	160,757
Disposals	-	(86,132)	-	(117,010)
At 31st March 2015	208,051	438,348	416,928	6,410,557
<b>DEPRECIATION</b>				
At 1st April 2014	178,758	189,645	132,222	2,610,251
Charge for year	8,361	69,753	44,700	275,123
Eliminated on disposal	-	(73,082)	-	(99,906)
At 31st March 2015	187,119	186,316	176,922	2,785,468
<b>NET BOOK VALUE</b>				
At 31st March 2015	20,932	252,032	240,006	3,625,089
At 31st March 2014	23,808	204,732	284,706	3,756,559

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. In the directors' opinion, the market value of investment property at the balance sheet date is not materially different from the carrying value included in the accounts.

Notes to the Abbreviated Accounts - continued  
For The Year Ended 31st March 2015

## 7. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31st March 2015 is represented by:

	Freehold land and buildings £	Investment properties £	Plant and machinery £
Valuation in 2013	-	1,029,173	-
Cost	2,805,515	-	1,512,542
	<u>2,805,515</u>	<u>1,029,173</u>	<u>1,512,542</u>

	Furniture & equipment £	Motor vehicles £	Laboratory apparatus £	Totals £
Valuation in 2013	-	-	-	1,029,173
Cost	208,051	438,348	416,928	5,381,384
	<u>208,051</u>	<u>438,348</u>	<u>416,928</u>	<u>6,410,557</u>

## 8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
<b>COST</b>	
At 1st April 2014 and 31st March 2015	6,134
<b>PROVISIONS</b>	
At 1st April 2014 and 31st March 2015	5,934
<b>NET BOOK VALUE</b>	
At 31st March 2015	200
At 31st March 2014	200

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:	100.00
Ordinary	

## 9. STOCKS

	2015 £	2014 £
Stocks	<u>1,356,603</u>	<u>1,630,744</u>

Notes to the Abbreviated Accounts - continued  
For The Year Ended 31st March 2015

## 10. DEBTORS

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	1,261,756	917,404
Other debtors	71,554	37,996
	<u>1,333,310</u>	<u>955,400</u>
Amounts falling due after more than one year:		
Other debtors	<u>67,326</u>	<u>72,376</u>
Aggregate amounts	<u>1,400,636</u>	<u>1,027,776</u>

## 11. CURRENT ASSET INVESTMENTS

	2015 £	2014 £
Listed investments	<u>45,805</u>	<u>45,805</u>
Market value of listed investments at 31st March 2015 - £234,686 (2014 - £220,008).		

## 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	426,701	521,259
Tax	125,952	102,063
Social security and other taxes	143,764	79,204
Other creditors	218,206	233,045
	<u>914,623</u>	<u>935,571</u>

## 13. PROVISIONS FOR LIABILITIES

	2015 £	2014 £
Deferred tax	<u>82,497</u>	<u>79,400</u>
		Deferred tax
		£
Balance at 1st April 2014		79,400
Accelerated capital allowances		3,097
Balance at 31st March 2015		<u>82,497</u>

Notes to the Abbreviated Accounts - continued  
For The Year Ended 31st March 2015

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
20,000	Ordinary	£1	20,000	20,000
20,000	Preference	£1	20,000	20,000
			<u>40,000</u>	<u>40,000</u>

15. RESERVES

	Profit and loss account £	Revaluation reserve £	Other reserves £	Totals £
At 1st April 2014	5,783,555	268,096	501,313	6,552,964
Profit for the year	380,743			380,743
Dividends	(255,000)			(255,000)
At 31st March 2015	<u>5,909,298</u>	<u>268,096</u>	<u>501,313</u>	<u>6,678,707</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.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Profit for the financial year	380,743	422,385
Dividends	(255,000)	(255,000)
Disposal of investment property		
Net addition to shareholders' funds	<u>125,743</u>	<u>167,385</u>
Opening shareholders' funds	6,592,964	6,425,579
Closing shareholders' funds	<u>6,718,707</u>	<u>6,592,964</u>

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 (2014: £53,619) would arise. Such a liability would only arise on the disposal of the property.