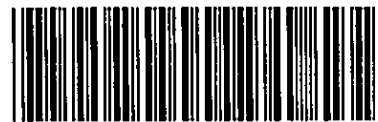


Registration number: 01173108

Alfred Bagnall & Sons (North East) Limited
Director's Report and Financial Statements
for the Year Ended 31 December 2012

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Alfred Bagnall & Sons (North East) Limited
Contents

| | |
|------------------------------------------------|---------|
| Company Information | 1 |
| Director's Report | 2 |
| Statement of Director's Responsibilities | 3 |
| Independent Auditors' Report | 4 to 5 |
| Profit and Loss Account | 6 |
| Balance Sheet | 7 |
| Notes to the Financial Statements | 8 to 14 |

Alfred Bagnall & Sons (North East) Limited
Company Information

Director L M Robertshaw

Company secretary J C Kirkham

Registered office 6 Manor Lane
Shipley
West Yorkshire
BD18 3RD

Auditors Auker Rhodes Professional Services LLP
Chartered Accountants & Registered Auditors
Sapphire House, Albion Mills
Albion Road, Greengates
Bradford
West Yorkshire
BD10 9TQ

Alfred Bagnall & Sons (North East) Limited
Director's Report for the Year Ended 31 December 2012

The director presents his report and the financial statements for the year ended 31 December 2012

Director of the company

The director who held office during the year was as follows

L M Robertshaw

Principal activity

The principal activity of the company is that of painting and joinery contractors

Disclosure of information to the auditors

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that he knows of and which he knows the auditors are unaware of

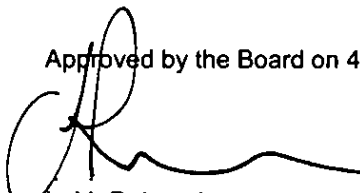
Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Auker Rhodes Professional Services LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006

Approved by the Board on 4 June 2013 and signed on its behalf by



L M Robertshaw
Director

Alfred Bagnall & Sons (North East) Limited
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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- 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.

Independent Auditor's Report to the Members of Alfred Bagnall & Sons (North East) Limited

We have audited the financial statements of Alfred Bagnall & Sons (North East) Limited for the year ended 31 December 2012, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditor's 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 directors and auditors

As explained more fully in the Statement of Director's Responsibilities (set out on page 3), 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 (APB'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 Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, 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.

**Independent Auditor's Report to the Members of
Alfred Bagnall & Sons (North East) 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, or
- the directors were not entitled to prepare the financial statements and the Director's Report in accordance with the small companies regime

Richard Kenyon (Senior Statutory Auditor)

For and on behalf of Auker Rhodes Professional Services LLP, Statutory Auditor

Sapphire House, Albion Mills
Albion Road, Greengates
Bradford
West Yorkshire
BD10 9TQ

4 June 2013

Alfred Bagnall & Sons (North East) Limited
Profit and Loss Account for the Year Ended 31 December 2012

| | Note | 2012 £ | 2011 £ |
|---------------------------------------------------------------------------------|------|------------------|------------------|
| Turnover | | 2,200,584 | 2,480,337 |
| Change in stocks of finished goods and work in progress | | <u>28,690</u> | <u>(40,608)</u> |
| | | <u>2,229,274</u> | <u>2,439,729</u> |
| Raw Materials and consumables | | 250,763 | 285,169 |
| Other contract costs (excluding staff) | | 185,590 | 104,232 |
| Staff costs | | 1,367,433 | 1,570,099 |
| Depreciation and other amounts written off tangible and intangible fixed assets | | 26,358 | 33,787 |
| Other operating charges | | <u>486,320</u> | <u>480,895</u> |
| | | <u>2,316,464</u> | <u>2,474,182</u> |
| Operating loss | 2 | (87,190) | (34,453) |
| Interest payable and similar charges | 4 | <u>(26,707)</u> | <u>(25,675)</u> |
| Loss on ordinary activities before taxation | | (113,897) | (60,128) |
| Tax on loss on ordinary activities | 5 | <u>25,481</u> | <u>14,340</u> |
| Loss on ordinary activities after taxation | 11 | <u>(88,416)</u> | <u>(45,788)</u> |

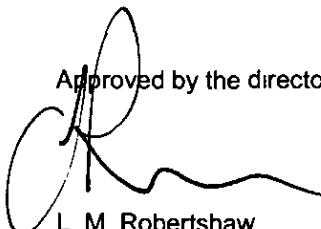
The company has no recognised gains or losses for the year other than the results above

Alfred Bagnall & Sons (North East) Limited
(Registration number: 01173108)
Balance Sheet at 31 December 2012

| | Note | 2012 £ | 2011 £ |
|-----------------------------------------------|------|------------------|------------------|
| Fixed assets | | | |
| Tangible fixed assets | 6 | <u>7,224</u> | <u>33,612</u> |
| Current assets | | | |
| Stocks | 7 | (11,632) | (37,451) |
| Debtors | 8 | 457,421 | 535,680 |
| Cash at bank and in hand | | <u>126,498</u> | <u>31,850</u> |
| | | 572,287 | 530,079 |
| Creditors Amounts falling due within one year | 9 | <u>(778,771)</u> | <u>(674,535)</u> |
| Net current liabilities | | <u>(206,484)</u> | <u>(144,456)</u> |
| Net liabilities | | <u>(199,260)</u> | <u>(110,844)</u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 5,000 | 5,000 |
| Profit and loss account | 11 | <u>(204,260)</u> | <u>(115,844)</u> |
| Shareholders' deficit | | <u>(199,260)</u> | <u>(110,844)</u> |

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the director on 4 June 2013


L M Robertshaw
Director

Alfred Bagnall & Sons (North East) Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (the FRSSE)

Going concern

The financial statements have been drawn up to meet the reporting requirements of the Companies Act 2006, and have been prepared in accordance with applicable accounting standards and on the bases consistent with previous years. They have been prepared on the presumption that the business is being carried on as a going concern, and in this respect the company relies on the continued support of its holding company. The financial statements do not include any adjustments that would result from withdrawal of the support due to the director's belief that the support of the holding company will not be withdrawn.

Turnover

Turnover for the year represents applications to customers for payment for work carried out, adjusted where necessary for any net value of long-term contract balances.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class

Fixtures, fittings & equipment

Motor vehicles

Depreciation method and rate

Written off in the year of purchase on a renewals basis

Straight line over useful economic life of 3 years

Stocks, work in progress and long-term contracts

Stock

Stock is valued at the lower of cost and net realisable value.

Long-term contracts

Amounts recoverable on long-term contracts are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account.

Alfred Bagnall & Sons (North East) Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

Deferred tax

Deferred taxation is provided at appropriate rates on all timing differences using the full provision method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pensions

The pension costs charged in the financial statements for defined contribution schemes, represent the contributions payable by the company during the year in accordance with the provisions of FRS17, as incorporated into the FRSSE

The defined benefit schemes are multi-employer schemes in which the employers' contributions are affected by deficits in the schemes. However, the employers are unable to identify their share of the underlying liabilities in the scheme on a consistent and reasonable basis and accordingly have accounted for the contributions as if they were made to defined contribution schemes, as directed by the provisions of FRS17, as incorporated into the FRSSE

2 Operating loss

Operating loss is stated after charging

| | 2012 £ | 2011 £ |
|--------------------------------------------|-----------|-----------|
| The audit of the company's annual accounts | 3,750 | 3,750 |
| Profit on sale of tangible fixed assets | (14,051) | (1,460) |
| Depreciation of tangible fixed assets | 26,358 | 33,787 |
| | <hr/> | <hr/> |

Alfred Bagnall & Sons (North East) Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

3 Director's remuneration

The director's remuneration for the year was as follows

| | 2012 £ | 2011 £ |
|-------------------------------------------------------------------------------------------|---------------|--------------|
| Remuneration (including benefits in kind and money purchase pension scheme contributions) | <u>34,001</u> | <u>5,811</u> |

During the year the number of directors who were receiving benefits and share incentives was as follows

| | 2012 No | 2011 No. |
|--------------------------------------------------------|------------|-------------|
| Accruing benefits under defined benefit pension scheme | - | 1 |
| Accruing benefits under money purchase pension scheme | <u>1</u> | <u>1</u> |

4 Interest payable and similar charges

Interest payable includes £26,707 (2011 - £25,675) payable on loans from group companies

5 Taxation

Tax on loss on ordinary activities

| | 2012 £ | 2011 £ |
|------------------------------------------------|-----------------|-----------------|
| Current tax | | |
| Corporation tax credit | (17,089) | (11,745) |
| Adjustments in respect of previous years | <u>-</u> | <u>(2,573)</u> |
| UK Corporation tax | (17,089) | (14,318) |
| Deferred tax | | |
| Origination and reversal of timing differences | <u>(8,392)</u> | <u>(22)</u> |
| Total tax on loss on ordinary activities | <u>(25,481)</u> | <u>(14,340)</u> |

Factors that may affect future tax charges

The company has estimated tax losses available to carry forward of £44,071 (2011 - £nil) to offset against future trading profits

Alfred Bagnall & Sons (North East) Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

6 Tangible fixed assets

| | Motor vehicles £ | Total £ |
|--------------------------|---------------------------------|--------------------|
| Cost or valuation | | |
| At 1 January 2012 | 203,276 | 203,276 |
| Disposals | <u>(81,110)</u> | <u>(81,110)</u> |
| At 31 December 2012 | <u>122,166</u> | <u>122,166</u> |
| Depreciation | | |
| At 1 January 2012 | 169,664 | 169,664 |
| Charge for the year | 26,358 | 26,358 |
| Eliminated on disposals | <u>(81,080)</u> | <u>(81,080)</u> |
| At 31 December 2012 | <u>114,942</u> | <u>114,942</u> |
| Net book value | | |
| At 31 December 2012 | <u>7,224</u> | <u>7,224</u> |
| At 31 December 2011 | <u>33,612</u> | <u>33,612</u> |

7 Stocks

| | 2012 £ | 2011 £ |
|----------------------------------------------------------------|-------------------|-------------------|
| Raw materials and consumables | 1,970 | 4,841 |
| Long term contract balances - net cost less foreseeable losses | <u>(13,602)</u> | <u>(42,292)</u> |
| | <u>(11,632)</u> | <u>(37,451)</u> |

8 Debtors

| | 2012 £ | 2011 £ |
|-------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Trade debtors | 295,383 | 341,291 |
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 115,643 | 139,993 |
| Other debtors | 25,533 | 41,926 |
| Deferred tax | <u>20,862</u> | <u>12,470</u> |
| | <u>457,421</u> | <u>535,680</u> |

Alfred Bagnall & Sons (North East) Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

Deferred tax

The movement in the deferred tax asset in the year is as follows

| | £ |
|------------------------------------------------------|---------------|
| At 1 January 2012 | 12,470 |
| Deferred tax credited to the profit and loss account | <u>8,392</u> |
| At 31 December 2012 | <u>20,862</u> |

Analysis of deferred tax

| | 2012 £ | 2011 £ |
|-------------------------------------------------------------------------------------|---------------|---------------|
| Difference between accumulated depreciation and amortisation and capital allowances | 10,285 | 12,470 |
| Tax losses available | <u>10,577</u> | <u>-</u> |
| | <u>20,862</u> | <u>12,470</u> |

9 Creditors: Amounts falling due within one year

| | 2012 £ | 2011 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 60,624 | 67,419 |
| Other taxes and social security | 21,147 | 27,116 |
| Amounts owed to group undertakings | <u>697,000</u> | <u>580,000</u> |
| | <u>778,771</u> | <u>674,535</u> |

10 Share capital

Allotted, called up and fully paid shares

| | 2012 | | 2011 | |
|----------------------------|--------------|--------------|--------------|--------------|
| | No. | £ | No | £ |
| Ordinary shares of £1 each | <u>5,000</u> | <u>5,000</u> | <u>5,000</u> | <u>5,000</u> |

Alfred Bagnall & Sons (North East) Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

11 Reserves

| | Profit and loss account £ | Total £ |
|---------------------|----------------------------------------------|--------------------|
| At 1 January 2012 | (115,844) | (115,844) |
| Loss for the year | <u>(88,416)</u> | <u>(88,416)</u> |
| At 31 December 2012 | <u>(204,260)</u> | <u>(204,260)</u> |

12 Pension schemes

During the year, there have been in operation in the Group four pension schemes for staff and operatives. In addition, some contributions are made towards certain individuals' personal pension plans. The total pension costs for the year were as follows:

| | 2012 £ | 2011 £ |
|-----------------------------------|-------------------|-------------------|
| Defined contribution | 8,161 | 15,067 |
| Defined benefit | <u>21,720</u> | <u>18,790</u> |
| Contributions made by the company | <u>29,881</u> | <u>33,857</u> |

Two of the schemes, the Alfred Bagnall & Sons Ltd Staff Pension & Life Assurance Scheme and the Alfred Bagnall & Sons Ltd Supplementary Pension Scheme, are defined benefit arrangements. The last full valuations of the schemes were carried out by a qualified independent actuary as at 28 February 2010 and updated on an approximate basis to 31 December 2012 by a qualified independent actuary.

Alfred Bagnall & Sons (North East) Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

As at 31 December 2012, contributions are payable to the Schemes by the Company at the rates set out in the schedule of contributions dated 28 May 2011. The Company contributions expected to be made in the year commencing 1 January 2013 are estimated to be approximately £642,000. In addition to this the Company pays the expenses of operating the schemes, the Pensions Regulator and the Pension Protection Fund Levies.

The schemes have been accounted for as defined benefit schemes in the parent company's group accounts, and detailed disclosures may be found in those accounts. At the balance sheet date the aggregate net pension deficit in the schemes, after deferred tax, was £2,560,000.

13 Contingent liabilities

At 31 December 2012 the Company's bankers had given performance bonds amounting to £2,640 for the benefit of the Company's customers.

14 Commitments

Contract Hire

As at 31 December 2012 the company had annual commitments under non-cancellable contract hire arrangements as follows:

| | 2012 £ | 2011 £ |
|-------------------------------------------------------------------|---------------|--------------|
| Contract hire arrangements which expire within two and five years | <u>17,795</u> | <u>4,333</u> |

15 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 (as included in the FRSSE) from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company, and the company is a wholly owned subsidiary of the ultimate parent company.

16 Control

The company is controlled by Alfred Bagnall & Sons Limited, the ultimate parent company, registered in England and Wales. It has no individual controlling party.

Alfred Bagnall & Sons Limited prepares group financial statements and copies can be obtained from 6 Manor Lane, Shipley, West Yorkshire, BD18 3RD.