

Company Registration No 2388808 (England and Wales)

KIRWIN BROTHERS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2006

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KIRWIN BROTHERS LIMITED

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KIRWIN BROTHERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2006

The directors present their report and financial statements for the year ended 30 June 2006

Principal activities and review of the business

The principal activity of the company continued to be that of wholesale fish merchants

The key performance indicators of the business are considered to be turnover, gross profit margin and overheads

A growth in turnover has been achieved during the year through further expansion of the company's activities into the UK wholesale fish sector and fish prices increasing. However, the company has experienced downward pressure on gross profit margins due to volatile raw material prices, rising utility costs and customer resistance to factory gate price rises. Overheads have been kept under control but have increased in line with the growing scale of the company.

As for many businesses of this size, the environment and industry in which the company operates remains fiercely competitive. The company, like others in the industry, is continually exposed to the difficulties facing the UK wholesale fish sector. However, the experienced management team continues to develop the market share of the company and explore ways of achieving greater efficiency in the business. Management also continues to seek improvements in profitability.

A small profit was generated in the year and in the directors' opinion the balance sheet position of the company remains sound. Despite being highly geared, the company continues to operate within available working capital facility limits. In addition, the company's bankers remain supportive of the long term development strategy as the company continues to invest in factory capacity and efficiency.

Results and dividends

The results for the year are set out on page 4

Directors

The following directors have held office since 1 July 2005

G Kirwin
L Kirwin

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary of £ 1 each	
	30 June 2006	1 July 2005
G Kirwin	5,000	5,000
L Kirwin	5,000	5,000

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Forrester Boyd be reappointed as auditors of the company will be put to the Annual General Meeting.



KIRWIN BROTHERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2006

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information on the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

L Kirwin
Director
28 September 2006



KIRWIN BROTHERS LIMITED

INDEPENDENT AUDITORS' REPORT TO KIRWIN BROTHERS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 17, together with the financial statements of Kirwin Brothers Limited for the year ended 30 June 2006 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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 audit 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 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" 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 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Forrester Boyd

28 September 2006

Chartered Accountants
Registered Auditor

26 South Saint Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW



KIRWIN BROTHERS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 £	2005 £
Gross profit		844,453	847,596
Administrative expenses		(757,506)	(641,566)
Operating profit	2	86,947	206,030
Investment income	3	-	70,015
Other interest receivable and similar income		246	18
Amounts written off investments	4	-	(60,050)
Interest payable and similar charges	5	(69,033)	(53,540)
Profit on ordinary activities before taxation		18,160	162,473
Tax on profit on ordinary activities	6	(8,892)	(40,007)
Profit for the year	17	9,268	122,466

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



KIRWIN BROTHERS LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 JUNE 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Intangible assets	7		4,995		-
Tangible assets	8		657,406		543,262
Investments	9		100		100
			<u>662,501</u>		<u>543,362</u>
Current assets					
Stocks	10	104,693		106,067	
Debtors	11	1,461,647		1,421,286	
Deferred tax asset	11	-		-	
Cash at bank and in hand		1,918		22,330	
		<u>1,568,258</u>		<u>1,549,683</u>	
Creditors, amounts falling due within one year	12	(1,654,241)		(1,575,576)	
Net current liabilities			(85,983)		(25,893)
Total assets less current liabilities			576,518		517,469
Creditors, amounts falling due after more than one year	13		(113,626)		(76,895)
Provisions for liabilities	14				
Deferred tax liability			(72,650)		(59,600)
			<u>390,242</u>		<u>380,974</u>
Capital and reserves					
Called up share capital	16		10,000		10,000
Profit and loss account	17		380,242		370,974
Shareholders' funds	18		<u>390,242</u>		<u>380,974</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

Approved by the Board and authorised for issue on 28 September 2006

L. Kirwin
Director



KIRWIN BROTHERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	2006		2005	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(97,824)		343,562
Returns on investments and servicing of finance				
Interest received	246		18	
Interest paid	(69,033)		(53,540)	
Dividends received	-		70,015	
Net cash (outflow)/inflow for returns on investments and servicing of finance		(68,787)		16,493
Taxation		(20,365)		(45,208)
Capital expenditure				
Payments to acquire intangible assets	(4,995)		-	
Payments to acquire tangible assets	(80,449)		(89,996)	
Receipts from sales of tangible assets	-		6,250	
Net cash outflow for capital expenditure		(85,444)		(83,746)
Net cash (outflow)/inflow before management of liquid resources and financing		(272,420)		231,101
Financing				
Capital element of hire purchase contracts	(58,871)		(49,972)	
Net cash outflow from financing		(58,871)		(49,972)
(Decrease)/increase in cash in the year		(331,291)		181,129



KIRWIN BROTHERS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

1 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities		2006	2005
		£	£
Operating profit		86,947	206,030
Depreciation of tangible assets		73,229	76,390
Profit on disposal of tangible assets		-	(6,250)
Decrease/(increase) in stocks		1,374	(10,004)
Increase in debtors		(38,701)	(117,697)
(Decrease)/Increase in creditors within one year		(220,673)	195,093
Net cash (outflow)/inflow from operating activities		(97,824)	343,562

2 Analysis of net debt	1 July 2005	Cash flow	Other non-cash changes	30 June 2006
	£	£	£	£
Net cash				
Cash at bank and in hand	22,330	(20,412)	-	1,918
Bank overdrafts	(325,342)	(310,879)	-	(636,221)
	<u>(303,012)</u>	<u>(331,291)</u>	<u>-</u>	<u>(634,303)</u>
Debt				
Finance leases	(129,257)	58,871	(106,924)	(177,310)
Net debt	(432,269)	(272,420)	(106,924)	(811,613)

3 Reconciliation of net cash flow to movement in net debt	2006	2005
	£	£
(Decrease)/increase in cash in the year	(331,291)	181,129
Cash outflow from decrease in debt and lease financing	58,871	49,972
Change in net debt resulting from cash flows	(272,420)	231,101
New finance lease	(106,924)	(138,842)
Movement in net debt in the year	(379,344)	92,259
Opening net debt	(432,269)	(524,528)
Closing net debt	(811,613)	(432,269)



KIRWIN BROTHERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	5% straight line
Plant and machinery	10% - 50% per annum of net book value
	25% - 30% straight line

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Stock

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

1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

1.10 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.



KIRWIN BROTHERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

1 Accounting policies

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2	Operating profit	2006 £	2005 £
	Operating profit is stated after charging		
	Depreciation of tangible assets	73,229	76,390
	Operating lease rentals		
	- Plant and machinery	12,000	12,000
	- Other assets	37,677	40,670
	Auditors' remuneration	4,850	4,550
	and after crediting		
	Profit on disposal of tangible assets	-	(6,250)
		<u>73,229</u>	<u>76,390</u>
3	Investment income	2006 £	2005 £
	Income from shares in group undertakings	-	70,015
	Bank interest	246	-
	Other interest	-	18
		<u>246</u>	<u>70,033</u>
4	Amounts written off investments	2006 £	2005 £
	Amounts written off fixed asset investments		
	- permanent diminution in value	-	60,050
		<u>-</u>	<u>60,050</u>
5	Interest payable	2006 £	2005 £
	On invoice discounting facility	58,859	42,614
	Hire purchase interest	6,574	5,237
	Other interest	3,600	5,689
		<u>69,033</u>	<u>53,540</u>



KIRWIN BROTHERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

6	Taxation	2006	2005
		£	£
	Domestic current year tax		
	U K corporation tax	(1,660)	22,863
	Adjustment for prior years	(2,498)	(4,456)
	Current tax charge	(4,158)	18,407
	Deferred tax		
	Deferred tax charge/credit current year	13,050	21,600
		8,892	40,007
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	18,160	162,473
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	5,448	48,742
	Effects of		
	Non deductible expenses	132	736
	Depreciation add back	21,968	21,042
	Capital allowances	(32,774)	(40,253)
	Adjustments to previous periods	(2,498)	(4,456)
	Dividends and distributions received	-	(21,004)
	Amount written off investments	-	18,015
	Marginal relief	3,566	(4,415)
		(9,606)	(30,335)
	Current tax charge	(4,158)	18,407
7	Intangible fixed assets		Goodwill
			£
	Cost		
	At 1 July 2005		-
	Additions		4,995
	At 30 June 2006		4,995
	Net book value		
	At 30 June 2006		4,995
	At 30 June 2005		-



KIRWIN BROTHERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

8 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Total £
Cost			
At 1 July 2005	115,733	763,669	879,402
Additions	400	186,973	187,373
	<hr/>	<hr/>	<hr/>
At 30 June 2006	116,133	950,642	1,066,775
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 July 2005	14,611	321,529	336,140
Charge for the year	5,686	67,543	73,229
	<hr/>	<hr/>	<hr/>
At 30 June 2006	20,297	389,072	409,369
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 June 2006	95,836	561,570	657,406
	<hr/>	<hr/>	<hr/>
At 30 June 2005	101,122	442,140	543,262
	<hr/>	<hr/>	<hr/>

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £
Net book values	
At 30 June 2006	192,880
	<hr/>
At 30 June 2005	157,584
	<hr/>
Depreciation charge for the year	
At 30 June 2006	19,171
	<hr/>
At 30 June 2005	16,658
	<hr/>



KIRWIN BROTHERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

9 Fixed asset investments

	Shares in participating interests £
Cost	
At 1 July 2005 & at 30 June 2006	100
Net book value	
At 30 June 2006	100
	<hr/>
At 30 June 2005	100
	<hr/>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Meldrum Fish Sales Limited	UK	Ordinary	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2006 £	Profit for the year 2006 £
	Principal activity		
Meldrum Fish Sales Limited	Dormant Company	100	-
		<hr/>	<hr/>

10 Stocks

	2006 £	2005 £
Finished goods and goods for resale	104,693	106,067
	<hr/>	<hr/>



KIRWIN BROTHERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

11 Debtors	2006 £	2005 £
Trade debtors	1,174,671	1,106,595
Other debtors	286,976	314,691
	<u>1,461,647</u>	<u>1,421,286</u>

Debtors include an amount of £25,250 (2005 - £25,250) which is due after more than one year

An amount of £1,232,820 (2005 - £1,111,316) within trade debtors is subject to an invoice discounting arrangement

12 Creditors: amounts falling due within one year	2006 £	2005 £
Bank loans and overdrafts	636,221	325,342
Net obligations under hire purchase contracts	63,684	52,362
Trade creditors	758,361	941,018
Corporation tax	-	22,863
Other taxes and social security costs	35,259	50,145
Directors' current accounts	11,323	51,868
Other creditors	114,061	90,000
Accruals and deferred income	35,332	41,978
	<u>1,654,241</u>	<u>1,575,576</u>

Bank loans and overdrafts include an advance from an invoice discounting company amounting to £597,783 (2005 £325,342) This fluctuates on a daily basis and is secured by a fixed and floating charge over the company's assets

Personal guarantees have been given by G Kirwin and L Kirwin in respect of this debt, subject to a maximum of £50,000 each



KIRWIN BROTHERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

13 Creditors amounts falling due after more than one year	2006 £	2005 £
Net obligations under hire purchase contracts	113,626	76,895
Net obligations under hire purchase contracts		
Repayable within one year	63,684	52,362
Repayable between one and five years	113,626	76,895
	177,310	129,257
Included in liabilities falling due within one year	(63,684)	(52,362)
	113,626	76,895

14 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 July 2005	59,600
Profit and loss account	13,050
Balance at 30 June 2006	72,650

The deferred tax liability is made up as follows

	2006 £	2005 £
Accelerated capital allowances	72,650	59,600

15 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £62,172 (2005- £51,229). Contributions totalling £ Nil (2005- £ Nil) were payable to the fund at the year end and are included in creditors.

	2006 £	2005 £
Contributions payable by the company for the year	62,172	51,229



KIRWIN BROTHERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

16 Share capital	2006	2005
	£	£
Authorised		
50,000 Ordinary of £1 each	50,000	50,000
Allotted, called up and fully paid		
10,000 Ordinary of £1 each	10,000	10,000
17 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 July 2005		370,974
Profit for the year		9,268
Balance at 30 June 2006		380,242
18 Reconciliation of movements in shareholders' funds	2006	2005
	£	£
Profit for the financial year	9,268	122,466
Opening shareholders' funds	380,974	258,508
Closing shareholders' funds	390,242	380,974

19 Contingent liabilities

The company is currently negotiating its potential environmental levy liability in relation to the disposal of packaging waste. Developments in this regard are tentative at present and it is not possible at this stage to evaluate the amount of the company's liability. However, the directors do not expect any claim to have a material impact on the company's continuing ability to trade.



KIRWIN BROTHERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

20 Financial commitments

At 30 June 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2007

	Land and buildings		Other	
	2006	2005	2006	2005
	£	£	£	£
Operating leases which expire				
Within one year	-	-	47,100	35,100
Between two and five years	-	-	2,907	14,907
In over five years	15,088	15,088	-	-
	<u>15,088</u>	<u>15,088</u>	<u>50,007</u>	<u>50,007</u>

21 Directors' emoluments

	2006	2005
	£	£
Emoluments for qualifying services	60,576	90,313
Company pension contributions to money purchase schemes	59,772	48,829
	<u>120,348</u>	<u>139,142</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2005 - 2)

22 Transactions with directors

During the year sales amounting to £302,741 (2005 - £1,096,604) were made to Surrey Fish Company Limited, a company in which Mr G Kirwin and Mr L Kirwin each own 37.5% of the issued share capital. Administration charges amounting to £15,000 (2005 - £15,000) were also raised to the same company.

At the balance sheet date there was an amount owing to the company by Surrey Fish Company Limited of £108,087 (2005 - £119,223). There are no formal arrangements as to repayment of this loan, which is by way of an unsecured working capital loan provided to fund Surrey Fish Company's activities. Kirwin Brothers Limited has given an informal undertaking to provide working capital support and financing facilities to allow Surrey Fish Company to continue trading for the immediate future.



KIRWIN BROTHERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

23 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2006 Number	2005 Number
Sales	5	5
Administration	3	3
Production	64	60
	<u>72</u>	<u>68</u>

Employment costs

	2006 £	2005 £
Wages and salaries	1,403,111	1,285,550
Social security costs	134,752	138,395
Other pension costs	62,172	51,229
	<u>1,600,035</u>	<u>1,475,174</u>