Co. House

Registration number: 01042421

Alfred Bagnall & Sons (Midlands) Limited

Director's Report and Financial Statements

for the Year Ended 31 December 2011

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Alfred Bagnall & Sons (Midlands) Limited

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Alfred Bagnall & Sons (Midlands) Limited

Company Information

Director	G S Johnson
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 (Midlands) Limited

Director's Report for the Year Ended 31 December 2011

The director presents his report and the financial statements for the year ended 31 December 2011

Director of the company
The director who held office during the year was as follows

G S Johnson

Principal activity
The principal activity of the company is that of painting 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 17 May 2012 and signed on its behalf by

G S Johnson
Director

Alfred Bagnall & Sons (Midlands) 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 (Midlands) Limited

We have audited the financial statements of Alfred Bagnall & Sons (Midlands) Limited for the year ended 31 December 2011, 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 2011 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 (Midlands) 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

17 May 2012

Alfred Bagnall & Sons (Midlands) Limited

Profit and Loss Account for the Year Ended 31 December 2011

	Note	2011 £	2010 £
Turnover		1,223,096	1,317,069
Change in stocks of finished goods and work in progress		45,904	51,580
		1,269,000	1,368,649
Raw Materials and consumables		148,098	127,253
Other contract costs (excluding staff)		126,625	206,448
Staff costs		775,479	853,853
Depreciation and other amounts written off tangible and intangible fixed assets		6,382	29,255
Other operating charges		298,317	277,362
		1,354,901	1,494,171
Operating loss	2	(85,901)	(125,522)
Interest payable and similar charges	4	(39,691)	(41,254)
Loss on ordinary activities before taxation		(125,592)	(166,776)
Tax on loss on ordinary activities	5	31,940	46,353
Loss on ordinary activities after taxation	11	(93,652)	(120,423)

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

Alfred Bagnall & Sons (Midlands) Limited
(Registration number: 01042421)
Balance Sheet at 31 December 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible fixed assets	6	40	9,045
Current assets			
Stocks	7	39,813	(6,090)
Debtors	8	340,411	397,128
Cash at bank and in hand		25,328	24,296
		405,552	415,334
Creditors Amounts falling due within one year	9	(1,808,379)	(1,733,514)
Net current liabilities		(1,402,827)	(1,318,180)
Net liabilities		(1,402,787)	(1,309,135)
Capital and reserves			
Called up share capital	10	5,000	5,000
Profit and loss account	11	(1,407,787)	(1,314,135)
Shareholders' deficit		(1,402,787)	(1,309,135)

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 17 May 2012

G S Johnson
Director

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	Depreciation method and rate
Fixtures, fittings & equipment	Written off in the year of purchase on a renewals basis
Motor vehicles	Straight line basis over useful extimated 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

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

	2011 £	2010 £
The audit of the company's annual accounts	2,750	2,500
Profit on sale of tangible fixed assets	(277)	(1,345)
Depreciation of tangible fixed assets	6,382	29,255

3 Director's remuneration

The director's remuneration for the year was as follows

	2011 £	2010 £
Remuneration (including benefits in kind and money purchase pension scheme contributions)	13,450	13,585

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

	2011 No.	2010 No.
Accruing benefits under defined benefit pension scheme	1	1
Accruing benefits under money purchase pension scheme	1	-

4 Interest payable and similar charges

Interest payable includes £39,691 (2010 - £41,254) payable on loans from group companies

5 Taxation

Tax on loss on ordinary activities

	2011 £	2010 £
Current tax		
Corporation tax credit	(33,723)	(42,187)
Adjustments in respect of previous years	-	(30)
UK Corporation tax	(33,723)	(42,217)
Deferred tax		
Origination and reversal of timing differences	1,783	(4,136)
Total tax on loss on ordinary activities	(31,940)	(46,353)

6 Tangible fixed assets

	Motor vehicles £	Total £
Cost or valuation		
At 1 January 2011	113,628	113,628
Disposals	(6,100)	(6,100)
At 31 December 2011	107,528	107,528
Depreciation		
At 1 January 2011	104,583	104,583
Charge for the year	6,382	6,382
Eliminated on disposals	(3,477)	(3,477)
At 31 December 2011	107,488	107,488
Net book value		
At 31 December 2011	40	40
At 31 December 2010	9,045	9,045

7 Stocks

	2011 £	2010 £
Long term contract balances - net cost less foreseeable losses	39,813	(6,090)

8 Debtors

	2011 £	2010 £
Trade debtors	290,763	128,911
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,022	187,850
Other debtors	37,741	67,699
Deferred tax	10,885	12,668
	340,411	397,128

Deferred tax

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

	£
At 1 January 2011	12,668
Deferred tax charged to the profit and loss account	(1,783)
At 31 December 2011	10,885

Analysis of deferred tax

	2011 £	2010 £
Difference between accumulated depreciation and amortisation and capital allowances	10,885	12,668
	10,885	12,668

9 Creditors: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	63,616	69,807
Other taxes and social security	18,763	11,707
Amounts owed to group undertakings	1,726,000	1,652,000
	1,808,379	1,733,514

10 Share capital

Allotted, called up and fully paid shares

	2011		2010	
	No.	£	No.	£
Ordinary shares of £1 each	5,000	5,000	5,000	5,000

11 Reserves

	Profit and loss account £	Total £
At 1 January 2011	(1,314,135)	(1,314,135)
Loss for the year	(93,652)	(93,652)
At 31 December 2011	(1,407,787)	(1,407,787)

12 Pension schemes

There are in operation in the group three pension schemes for staff and operatives In addition, some contributions are made toward certain individuals' personal pension plans The total pension costs for the year were as follows

	2011 £	2010 £
Defined contribution	6,690	8,003
Contributions made by the company	6,690	8,003

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 2011 by a qualified independent actuary

As at 31 December 2011, contributions are payable to the Schemes by the employer companies at the rates set out in the schedule of contributions dated 18 May 2011 The employer companies' contributions expected to be made in the year commencing 1 January 2012 are estimated to be approximately £730,000 In addition to this the employer companies pay the expenses of operating the Schemes and the Pension Regulator and 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 £2,994,000

13 Commitments

Contract Hire

As at 31 December 2011 the company had annual commitments under non-cancellable contract hire arrangements as follows

	2011 £	2010 £
Contract hire arrangements which expire within two and five years	4,728	-

14 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

15 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 7RD