Registered number
2542721

Michael Farrow (Builders) Ltd

Report and Unaudited Accounts

30 November 2012

FRIDAY

A2FUXLUP

A36 30/08/2013 #5

COMPANIES HOUSE

Michael Farrow (Builders) Ltd
Registered number· 2542721
Directors' Report

The directors present their report and accounts for the year ended 30 November 2012

Principal activities
The company's principal activity during the year continued to be that of specialist stone builders

Directors
The following persons served as directors during the year

Mr M J Farrow
Mrs M J Farrow

Directors' responsibilities
The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, 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 accounts 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 accounts 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

Small company provisions
This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime

This report was approved by the board on 26 8/13 and signed on its behalf

Mrs M J Farrow
Director

Michael Farrow (Builders) Ltd

Chartered Accountants' report to the board of directors on the preparation of the unaudited statutory accounts of Michael Farrow (Builders) Ltd for the year ended 30 November 2012

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Michael Farrow (Builders) Ltd for the year ended 30 November 2012 which comprise of the Profit and Loss Account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at icaew com/membershandbook

Our work has been undertaken in accordance with AAF 2/10 as detailed at icaew com/compilation

Payne Walker Ltd
Chartered Accountants
Suite 2, 10 High Street
Melton Mowbray
Leics
LE13 0TR

/ /

Michael Farrow (Builders) Ltd
Profit and Loss Account
for the year ended 30 November 2012

	Notes	2012 £	2011 £
Turnover		469,490	475,342
Cost of sales		(429,910)	(287,082)
Gross profit		39,580	188,260
Administrative expenses		(87,340)	(85,172)
Other operating income		29,374	23,568
Operating (loss)/profit	2	(18,386)	126,656
Interest receivable		-	934
Interest payable	3	(1,066)	(1,908)
(Loss)/profit on ordinary activities before taxation		(19,452)	125,682
Tax on (loss)/profit on ordinary activities	4	8,618	(25,343)
(Loss)/profit for the financial year		(10,834)	100,339

Michael Farrow (Builders) Ltd
Balance Sheet
as at 30 November 2012

	Notes		2012 £		2011 £
Fixed assets					
Tangible assets	5		43,875		20,906
Current assets					
Stocks		15,000		15,000	
Debtors	6	177,160		73,503	
Cash at bank and in hand		500		500	
		192,660		89,003	
Creditors. amounts falling due within one year	7	(234,664)		(56,204)	
Net current (liabilities)/assets			(42,004)		32,799
Total assets less current liabilities			1,871		53,705
Provisions for liabilities	8		(1,574)		(1,574)
Net assets			297		52,131
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account	10		197		52,031
Shareholders' funds			297		52,131

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006

Members have not required the company to obtain an audit in accordance with section 476 of the Act

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime

Mrs M J Farrow
Director
Approved by the board on 26/8/13

Michael Farrow (Builders) Ltd
Notes to the Accounts
for the year ended 30 November 2012

1 Accounting policies

Basis of preparation
The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover
Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers

Depreciation
Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives

Plant and machinery	20% straight line
Motor vehicles	25% straight line

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

Deferred taxation
Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse

Pensions
The company operates a defined contribution pension scheme Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

2 Operating profit

	2012	2011
	£	£
This is stated after charging		
Depreciation of owned fixed assets	11,051	5,300
Directors' remuneration	14,696	13,224

3 Interest payable

	2012	2011
	£	£
Interest payable	1,066	1,908

4 Taxation

	2012	2011
	£	£
UK corporation tax	(8,618)	25,993
Deferred tax	-	(650)
	(8,618)	25,343

5 Tangible fixed assets

	Plant and machinery etc £	Motor vehicles £	Total £
Cost			
At 1 December 2011	131,887	41,430	173,317
Additions	33,219	800	34,019
At 30 November 2012	165,106	42,230	207,336
Depreciation			
At 1 December 2011	114,501	37,909	152,410
Charge for the year	9,971	1,080	11,051
At 30 November 2012	124,472	38,989	163,461
Net book value			
At 30 November 2012	40,634	3,241	43,875
At 30 November 2011	17,386	3,521	20,907

6 Debtors

	2012 £	2011 £
Trade debtors	145,155	67,900
Other debtors	32,005	5,603
	177,160	73,503

7 Creditors: amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	64,986	30,547
Trade creditors	104,036	33,921
Corporation tax	-	41,669
Other taxes and social security costs	5,049	3,498
Other creditors	60,593	(53,431)
	234,664	56,204

8 Provisions for liabilities

Deferred taxation

	2012 £	2011 £
Accelerated capital allowances	1,574	1,574

	2012 £	2011 £

At 1 December	1,574	2,650
Deferred tax charge in profit and loss account	-	(1,076)
At 30 November	1,574	1,574

9 Share capital

	Nominal value	2012 Number	2012 £	2011 £
Allotted, called up and fully paid				
Ordinary shares	£1 each	100	100	100

10 Profit and loss account

	2012 £
At 1 December 2011	52,031
Loss for the year	(10,834)
Dividends	(41,000)
At 30 November 2012	197

11 Dividends

	2012 £	2011 £
Dividends for which the company became liable during the year		
Dividends paid	41,000	50,000

12 Other financial commitments

	2012 £	2011 £
At the year end the company had annual commitments under non-cancellable operating leases as set out below		
Operating leases which expire within two to five years	30,000	30,000

13 Related party transactions

	2012 £	2011 £
Mr and Mrs Farrow		
Directors and shareholders transactions involving loan account		
Loan balance carried forward (dr) cr	55,861	(58,555)

Michael Farrow Ltd Retirement and Death Benefit Scheme
Self administered pension scheme with Mr and Mrs Farrow as trustees

Michael Farrow (Builders) Ltd
Notes to the Accounts
for the year ended 30 November 2012

Rent payments as independently valued pa	25,500	30,000
Balance owing at 30 November 2012	18,460	5,903
Property improvements carried out and invoiced		14,395
Balance owing at 30 November 2012		(1,962)

Michael Farrow (Builders) Ltd
Detailed profit and loss account
for the year ended 30 November 2012

	2012 £	2011 £
Sales	469,490	475,342
Cost of sales	(429,910)	(287,082)
Gross profit	39,580	188,260
Administrative expenses	(87,340)	(85,172)
Other operating income	29,374	23,568
Operating (loss)/profit	(18,386)	126,656
Interest receivable	-	934
Interest payable	(1,066)	(1,908)
(Loss)/profit before tax	(19,452)	125,682

Michael Farrow (Builders) Ltd
Detailed profit and loss account
for the year ended 30 November 2012

	2012 £	2011 £
Sales		
Sales	469,490	475,342
Cost of sales		
Purchases	406,319	262,351
Direct labour	23,591	24,731
	429,910	287,082
Administrative expenses		
Employee costs		
Directors' salaries	14,696	13,224
Staff training and welfare	350	-
Travel and subsistence	1,916	1,733
Motor expenses	8,806	10,839
	25,768	25,796
Premises costs		
Rent	25,500	26,400
Rates	990	1,369
Light and heat	391	206
Use of home	750	750
	27,631	28,725
General administrative expenses		
Telephone and fax	2,260	1,961
Postage	31	151
Stationery and printing	287	419
Bank charges	401	877
Insurance	14,094	12,909
Software	409	697
Repairs and maintenance	1,597	1,080
Depreciation	11,052	5,301
Sundry expenses	(282)	466
	29,849	23,861
Legal and professional costs		
Accountancy fees	3,735	3,447
Advertising and PR	357	412
Other legal and professional	-	2,931
	4,092	6,790
	87,340	85,172
Other operating income		
Rents receivable	29,374	23,568