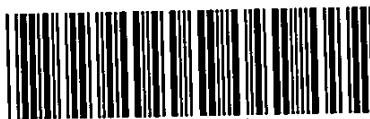

MKM BUILDING SUPPLIES (SELBY) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

WEDNESDAY



A165Z2ZD

A23

04/04/2012

#236

COMPANIES HOUSE

MKM BUILDING SUPPLIES (SELBY) LIMITED

COMPANY INFORMATION

DIRECTORS	D R Kilburn W G Acton M J Smith
COMPANY NUMBER	06406721
REGISTERED OFFICE	Stoneferry Road Hull East Yorkshire HU8 8DE

MKM BUILDING SUPPLIES (SELBY) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

MKM BUILDING SUPPLIES (SELBY) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2011

The directors present their report and the audited financial statements for the year ended 30 September 2011

PRINCIPAL ACTIVITIES

The Company's principal activity during the year was that of the distribution of building products

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements were

D R Kilburn
W G Acton
M J Smith

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the audited financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited 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 audited 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 audited financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the audited 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 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 audited 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.

MKM BUILDING SUPPLIES (SELBY) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board and signed on its behalf



M J Smith
Director

Date 29 March 2012

MKM BUILDING SUPPLIES (SELBY) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MKM BUILDING SUPPLIES (SELBY) LIMITED

We have audited the financial statements of MKM Building Supplies (Selby) Limited for the year ended 30 September 2011, which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Directors' 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 FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2011 and of its profit 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MKM BUILDING SUPPLIES (SELBY) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MKM BUILDING SUPPLIES (SELBY) 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 in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report



Richard Bunter (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants
Statutory Auditors

Hull

29 March 2012

MKM BUILDING SUPPLIES (SELBY) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	Note	2011 £	2010 £
TURNOVER	1,2	2,745,499	2,386,649
Cost of sales		(1,890,589)	(1,699,200)
GROSS PROFIT		854,910	687,449
Administrative expenses		(705,459)	(726,780)
OPERATING PROFIT/(LOSS)	3	149,451	(39,331)
Interest payable and similar charges		(2,105)	(1,918)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		147,346	(41,249)
Tax on profit/(loss) on ordinary activities	4	(27,630)	9,258
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	11	119,716	(31,991)

The notes on pages 7 to 12 form part of these financial statements

MKM BUILDING SUPPLIES (SELBY) LIMITED
REGISTERED NUMBER: 06406721

BALANCE SHEET
AS AT 30 SEPTEMBER 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	6		46,807		75,511
CURRENT ASSETS					
Stocks		247,779		228,241	
Debtors	7	421,410		406,032	
Cash in hand		500		500	
		<u>669,689</u>		<u>634,773</u>	
CREDITORS: amounts falling due within one year	8	(722,977)		(836,481)	
NET CURRENT LIABILITIES			(53,288)		(201,708)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(6,481)</u>		<u>(126,197)</u>
CAPITAL AND RESERVES					
Called up share capital	10		20,000		20,000
Profit and loss account	11		(26,481)		(146,197)
SHAREHOLDERS' DEFICIT			<u>(6,481)</u>		<u>(126,197)</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



M J Smith
Director

Date 29 March 2012

The notes on pages 7 to 12 form part of these financial statements

MKM BUILDING SUPPLIES (SELBY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006

1.2 Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, MKM Building Supplies (Holdings) Limited. The directors have received confirmation that MKM Building Supplies (Holdings) Limited intends to support the company for at least one year after these financial statements are signed

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods supplied during the year, exclusive of Value Added Tax and trade discounts

1.4 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	Between 3 and 10 years
Fixtures & fittings	-	Between 3 and 5 years

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. All stock is finished goods

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

MKM BUILDING SUPPLIES (SELBY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

1 ACCOUNTING POLICIES (continued)

1.8 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.9 Dividends

Dividends are accounted for in the year in which they are paid or are approved by the members in general meeting

2. TURNOVER

The turnover and profit before taxation are both attributable to the company's principal activity defined in the Directors' Report and are both derived wholly in the United Kingdom

3 OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	28,704	28,270
Auditors' remuneration	2,500	2,500
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2010 - £NIL)

MKM BUILDING SUPPLIES (SELBY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

4 TAXATION

	2011 £	2010 £
Analysis of tax charge/(credit) in the year		
Current tax		
UK corporation tax charge on profit/loss for the year	30,545	-
Group relief current year	-	(7,790)
Total current tax	<u>30,545</u>	<u>(7,790)</u>
Deferred tax		
Origination and reversal of timing differences	(3,298)	(1,399)
Impact of change in rates	383	(69)
Total deferred tax (see note 9)	<u>(2,915)</u>	<u>(1,468)</u>
Tax on profit/loss on ordinary activities	<u><u>27,630</u></u>	<u><u>(9,258)</u></u>

Factors that may affect future tax charges

The main rate of corporation tax in the UK reduced from 28% to 26% from 1 April 2011. The company's profits for the period to 30 September 2011 are taxed at 27% being the average rate for that accounting period.

A further reduction in the corporation tax rate to 25% was enacted before the Balance Sheet date. This will take effect from 1 April 2012 and deferred tax is therefore provided at 25%.

Further reductions in the corporation tax rate have been announced but not yet enacted. It is anticipated that by 1 April 2014, the main rate of corporation tax in the UK will be reduced to 22%. The overall net effect of these reductions on the deferred tax asset will be £383.

5 DIVIDENDS

A dividend of £27,390 was proposed and paid following the year end, but has not been recognised in these financial statements.

MKM BUILDING SUPPLIES (SELBY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

6. TANGIBLE FIXED ASSETS

	Plant & machinery £	Fixtures & fittings £	Total £
Cost			
At 1 October 2010 and 30 September 2011	100,214	26,591	126,805
Depreciation			
At 1 October 2010	35,199	16,095	51,294
Charge for the year	19,908	8,796	28,704
At 30 September 2011	55,107	24,891	79,998
Net book value			
At 30 September 2011	45,107	1,700	46,807
At 30 September 2010	65,015	10,496	75,511

7. DEBTORS

	2011 £	2010 £
Trade debtors	356,480	350,003
Amounts owed by group undertakings	-	7,790
Other debtors	60,142	46,366
Deferred tax asset (see note 9)	4,788	1,873
	<u>421,410</u>	<u>406,032</u>

**8 CREDITORS:
Amounts falling due within one year**

	2011 £	2010 £
Trade creditors	465,333	418,243
Amounts owed to group undertakings	206,935	408,817
Corporation tax	30,545	-
Other creditors	20,164	9,421
	<u>722,977</u>	<u>836,481</u>

MKM BUILDING SUPPLIES (SELBY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

9. PROVISION FOR LIABILITIES AND CHARGES

	2011 £	2010 £
At beginning of year	1,873	405
Released during year	2,915	1,468
	<u>4,788</u>	<u>1,873</u>
At end of year	<u>4,788</u>	<u>1,873</u>

10. SHARE CAPITAL

	2011 £	2010 £
Authorised, allotted, called up and fully paid		
20,000 ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

11. RESERVES

	Profit and loss account £
At 1 October 2010	(146,197)
Profit for the year	119,716
	<u>(26,481)</u>
At 30 September 2011	<u>(26,481)</u>

12. OPERATING LEASE COMMITMENTS

At 30 September 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Expiry date:				
Between 2 and 5 years	-	-	68,559	68,235
After more than 5 years	<u>120,000</u>	<u>120,000</u>	<u>-</u>	<u>-</u>

13. CONTINGENT LIABILITIES

The company's principal bankers have committed facilities secured by fixed and floating charges over the assets of the Company

The company has entered into an omnibus guarantee set off arrangement with other Group undertaking in respect of bank borrowings, which total £21,000,000 (2010 - £24,000,000)

MKM BUILDING SUPPLIES (SELBY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

14 RELATED PARTY TRANSACTIONS

During the year the above shareholders made purchases from the company, on terms no better than available to all employees, and had amounts outstanding at the year end as follows

	2011 Purchases £	2011 Balance £	2010 Purchases £	2010 Balance £
K Main	260	141	-	-

The company holds no bank accounts. All transactions which are cash settled are made on the company's behalf by its immediate parent, MKM Building Supplies Limited, with an associated balance due to or from MKM Building Supplies Limited being recognised in the company.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The parent undertaking of the largest group of undertakings for which group accounts were drawn up and of which MKM Buildings Supplies (Selby) Limited was a member, was MKM Building Supplies (Holdings) Limited incorporated in England. The parent undertaking of the smallest such group was MKM Building Supplies Limited, incorporated in England. MKM Building Supplies Limited is also the immediate parent undertaking.

The directors are of the view that there is no single ultimate controlling party.

Publicly available accounts for the parent company may be obtained from

Company Secretary
Stoneferry Road
Hull
HU8 8DE