
MKM BUILDING SUPPLIES (SELBY) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

SATURDAY



A24 06/04/2013 #239
COMPANIES HOUSE

MKM BUILDING SUPPLIES (SELBY) LIMITED

COMPANY INFORMATION

DIRECTOR	D R Kilburn M J Smith
COMPANY NUMBER	06406721
REGISTERED OFFICE	Stoneferry Road Hull East Yorkshire HU8 8DE

MKM BUILDING SUPPLIES (SELBY) LIMITED

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MKM BUILDING SUPPLIES (SELBY) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2012

The directors present their report and the financial statements for the year ended 30 September 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the 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 financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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 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 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.

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 (resigned 31 October 2012)
M J Smith

MKM BUILDING SUPPLIES (SELBY) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

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 15 March 2013

MKM BUILDING SUPPLIES (SELBY) LIMITED

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

We have audited the financial statements of MKM Building Supplies (Selby) Limited for the year ended 30 September 2012, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

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 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 2012 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.

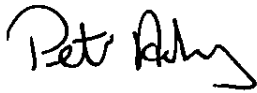
MKM BUILDING SUPPLIES (SELBY) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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



Peter Adams (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants
Statutory Auditors

Hull

15 March 2013

MKM BUILDING SUPPLIES (SELBY) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	2,733,654	2,745,499
Cost of sales		<u>(1,900,554)</u>	<u>(1,890,589)</u>
GROSS PROFIT		833,100	854,910
Administrative expenses		<u>(742,907)</u>	<u>(705,459)</u>
OPERATING PROFIT	3	90,193	149,451
Interest payable and similar charges		<u>(880)</u>	<u>(2,105)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		89,313	147,346
Tax on profit on ordinary activities	4	<u>(25,608)</u>	<u>(27,630)</u>
PROFIT FOR THE FINANCIAL YEAR	11	<u>63,705</u>	<u>119,716</u>

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 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	6		32,700		46,807
CURRENT ASSETS					
Stocks		217,793		247,779	
Debtors	7	360,822		421,411	
Cash in hand		500		500	
		<u>579,115</u>		<u>669,690</u>	
CREDITORS amounts falling due within one year	8	<u>(581,979)</u>		<u>(722,977)</u>	
NET CURRENT LIABILITIES			<u>(2,864)</u>		<u>(53,287)</u>
NET ASSETS/(LIABILITIES)			<u>29,836</u>		<u>(6,480)</u>
CAPITAL AND RESERVES					
Called up share capital	10		20,000		20,000
Profit and loss account	11		9,836		(26,480)
SHAREHOLDERS' FUNDS/(DEFICIT)			<u>29,836</u>		<u>(6,480)</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 15 March 2013

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 2012

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. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Turnover

Turnover represents the net invoiced value of goods supplied to customers and is recognised on customer receipt of goods.

1.3 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

1.4 Operating leases

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

1.5 Stocks

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

1.6 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.

1.7 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).

MKM BUILDING SUPPLIES (SELBY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

1. ACCOUNTING POLICIES (continued)

1.8 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

The operating profit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	16,057	28,704
Auditors' remuneration	3,000	2,500
	<u>19,057</u>	<u>31,204</u>

During the year, no director received any emoluments (2011 - £NIL)

4. TAXATION

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	8,929	30,545
Group relief current year	17,021	-
Total current tax	<u>25,950</u>	<u>30,545</u>
Deferred tax		
Origination and reversal of timing differences	(788)	(3,298)
Impact of change in rates	446	383
Total deferred tax (see note 9)	<u>(342)</u>	<u>(2,915)</u>
Tax on profit on ordinary activities	<u>25,608</u>	<u>27,630</u>

MKM BUILDING SUPPLIES (SELBY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

4 TAXATION (continued)

Factors that may affect future tax charges

The main rate of corporation tax in the UK reduced from 26% to 24% from 1 April 2012. The company's profits for the period to 30 September 2012 are taxed at 25% being the average rate for that accounting period.

A further reduction in the corporation tax rate to 23% was enacted before the Balance Sheet date. Deferred tax is therefore provided at 23%.

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 21%. The overall net effect of these reductions on the deferred tax asset will not be material.

5. DIVIDENDS

	2012 £	2011 £
Dividends paid, £1 37p per share (2011 - Nil)	27,389	-

A dividend of £28,580 was proposed and paid following the year end, but has not been recognised in these financial statements.

6. TANGIBLE FIXED ASSETS

	Plant & machinery £	Fixtures & fittings £	Total £
Cost			
At 1 October 2011	100,214	26,591	126,805
Additions	1,950	-	1,950
At 30 September 2012	102,164	26,591	128,755
Depreciation			
At 1 October 2011	55,107	24,891	79,998
Charge for the year	14,357	1,700	16,057
At 30 September 2012	69,464	26,591	96,055
Net book value			
At 30 September 2012	32,700	-	32,700
At 30 September 2011	45,107	1,700	46,807

MKM BUILDING SUPPLIES (SELBY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

7. DEBTORS

	2012 £	2011 £
Trade debtors	296,631	356,481
Other debtors	59,061	60,142
Deferred tax asset (see note 9)	5,130	4,788
	<u>360,822</u>	<u>421,411</u>

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

	2012 £	2011 £
Trade creditors	436,026	465,333
Amounts owed to group undertakings	118,048	206,935
Corporation tax	8,929	30,545
Other creditors	18,976	20,164
	<u>581,979</u>	<u>722,977</u>

9. DEFERRED TAX ASSET

	2012 £	2011 £
At beginning of year	4,788	1,873
Released during year	342	2,915
	<u>5,130</u>	<u>4,788</u>

10 SHARE CAPITAL

	2012 £	2011 £
Authorised, allotted, called up and fully paid		
20,000 ordinary shares shares of £1 each	<u>20,000</u>	<u>20,000</u>

MKM BUILDING SUPPLIES (SELBY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

11 RESERVES

	Profit and loss account £
At 1 October 2011	(26,480)
Profit for the year	63,705
Dividends Equity capital	(27,389)
	<u>9,836</u>
At 30 September 2012	<u>9,836</u>

12 OPERATING LEASE COMMITMENTS

At 30 September 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date				
Within 1 year	-	-	2,177	-
Between 2 and 5 years	-	-	55,704	68,559
After more than 5 years	120,000	120,000	-	-
	<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 £18,500,000 (2011 - £21,000,000)

14. RELATED PARTY TRANSACTIONS

	2012	2012	2011	2011
	Purchases	Balance	Purchases	Balance
	£	£	£	£
K Main	4,405	274	260	141
	<u>4,405</u>	<u>274</u>	<u>260</u>	<u>141</u>

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

No provisions or write off to these balances has been made during the year (2011 - £Nil) 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

MKM BUILDING SUPPLIES (SELBY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

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 Building 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.

Publicly available accounts for the parent company may be obtained from

Stoneferry Road
Hull
HU8 8DE