

Company Registration No. SC033294 (Scotland)

PAT MUNRO (ALNESS) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2012

WEDNESDAY



SCT *S104IFBS* #764
19/12/2012
COMPANIES HOUSE

PAT MUNRO (ALNESS) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the abbreviated accounts	8 - 17

PAT MUNRO (ALNESS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and financial statements for the year ended 31 March 2012.

Principal activities and review of the business

The principal activities of the company during the year were those of public works, contracting and building, the manufacture of pre-cast stone, the operation of quarries, the provision of road haulage services, and waste management.

The results for the company show a pre-tax profit of £301,511 (2011 - £323,712) for the year. The company has net assets in excess of £7.76 million. All areas of the company have continued to perform in line or ahead of expectations.

The company finances its operations using its retained profit. The management's objectives are to retain sufficient funds to enable the group to meet its day to day obligations as they fall due whilst maximising returns on surplus funds and minimise the company's exposure to fluctuations in interest rates should they seek new borrowings.

The current economic climate will also result in challenging times for the future. The directors are confident that the company is sufficiently diverse to mitigate this market risk.

Results and dividends

The results for the year are set out on page 4.

No interim dividend was paid. The directors do not recommend payment of a final dividend.

Key performance indicators

Given the nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Future developments

Due to extremely low level of company debt, we continue to be well placed to face the ongoing economic challenges and to take advantage of any investment opportunities considered suitable by the directors.

Directors

The following directors have held office since 1 April 2011:

A C Munro
P Munro
B K Munro
C MacRae

PAT MUNRO (ALNESS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

Statement of directors' responsibilities

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 judgements 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



A C Munro

Secretary

01/12/2012

PAT MUNRO (ALNESS) LIMITED

INDEPENDENT AUDITORS' REPORT TO PAT MUNRO (ALNESS) LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 17, together with the financial statements of Pat Munro (Alness) Limited for the year ended 31 March 2012 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our 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 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 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 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Johnston Carmichael LLP

12 December 2012

Scott Jeffrey (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

.....

Chartered Accountants
Statutory Auditor

Clava House
Cradlehall Business Park
Inverness
IV2 5GH

PAT MUNRO (ALNESS) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012 £	2011 £
Turnover		11,519,223	11,566,437
Other operating income less cost of sales		(10,253,048)	(10,151,277)
Administrative expenses		(891,634)	(1,135,831)
Operating profit	2	374,541	279,329
Other interest receivable and similar income		14,724	15,099
Interest payable and similar charges	4	(87,754)	29,284
Profit on ordinary activities before taxation		301,511	323,712
Tax on profit on ordinary activities	5	(65,226)	(78,908)
Profit for the year	15	236,285	244,804

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.

PAT MUNRO (ALNESS) LIMITED

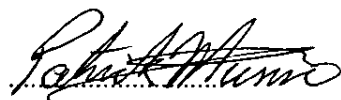
ABBREVIATED BALANCE SHEET

AS AT 31 MARCH 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	6 and 7		2,284,026		2,464,513
Current assets					
Stocks	8	3,868,683		3,876,057	
Debtors	9	2,576,134		3,491,602	
Cash at bank and in hand		3,094,070		2,628,648	
		<u>9,538,887</u>		<u>9,996,307</u>	
Creditors: amounts falling due within one year	10	<u>(3,279,587)</u>		<u>(4,158,199)</u>	
Net current assets			6,259,300		5,838,108
Total assets less current liabilities			8,543,326		8,302,621
Creditors: amounts falling due after more than one year	11		(40,264)		(23,176)
Provisions for liabilities	12		<u>(742,127)</u>		<u>(754,795)</u>
			<u>7,760,935</u>		<u>7,524,650</u>
Capital and reserves					
Called up share capital	14		13,335		13,335
Revaluation reserve	15		35,544		35,544
Other reserves	15		6,665		6,665
Profit and loss account	15		7,705,391		7,469,106
Shareholders' funds	16		<u>7,760,935</u>		<u>7,524,650</u>

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies.

Approved by the Board and authorised for issue on 01.12.2012



P Munro
Director

Company Registration No. SC033294

PAT MUNRO (ALNESS) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2012

	£	2012 £	£	2011 £
Net cash inflow from operating activities		872,455		447,063
Returns on investments and servicing of finance				
Interest received	14,724		15,099	
Interest paid	(8,580)		(12,120)	
Net cash inflow for returns on investments and servicing of finance		6,144		2,979
Taxation		(96,043)		(96,963)
Capital expenditure				
Payments to acquire tangible assets	(246,236)		(370,440)	
Receipts from sales of tangible assets	45,700		133,416	
Net cash outflow for capital expenditure		(200,536)		(237,024)
Net cash inflow before management of liquid resources and financing		582,020		108,893
Financing				
Repayment of other long term loans	(51,946)		(104,253)	
Capital element of hire purchase contracts	(64,652)		(113,885)	
Net cash outflow from financing		(168,905)		(218,138)
Increase/(decrease) in cash in the year		465,422		(109,245)

PAT MUNRO (ALNESS) LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2012

1	Reconciliation of operating profit to net cash inflow from operating activities	2012		2011	
		£		£	
	Operating profit	374,541		279,329	
	Depreciation of tangible assets	482,909		505,801	
	Profit on disposal of tangible assets	(2,179)		(17,253)	
	Decrease in stocks	7,374		162,639	
	Decrease/(increase) in debtors	863,773		(1,588,742)	
	(Decrease)/Increase in creditors within one year	(871,622)		1,153,855	
	Other reserve movement	17,659		(48,566)	
	Net cash inflow from operating activities	872,455		447,063	
2	Analysis of net funds	1 April 2011	Cash flow	Other non-cash changes	31 March 2012
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	2,628,648	465,422	-	3,094,070
	Bank deposits	-	-	-	-
	Debt:				
	Finance leases	(75,737)	64,652	(99,707)	(110,792)
	Net funds	2,552,911	530,074	(99,707)	2,983,278
3	Reconciliation of net cash flow to movement in net funds	2012		2011	
		£		£	
	Increase/(decrease) in cash in the year	465,422		(109,245)	
	Cash outflow from decrease in debt and lease financing	64,652		113,885	
	Change in net debt resulting from cash flows	530,074		4,640	
	New finance lease	(99,707)		(109,328)	
	Movement in net funds in the year	430,367		(104,688)	
	Opening net funds	2,552,911		2,657,599	
	Closing net funds	2,983,278		2,552,911	

PAT MUNRO (ALNESS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Turnover

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

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.

1.3 Tangible fixed assets and depreciation

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

Land and buildings freehold	over 13 to 25 years
Land and buildings leasehold	over 25 years
Plant, machinery & vehicles	ships at 10% on cost; other plant at 20% reducing balance for five years, then the balance at 20% per annum

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.4 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.

1.5 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.6 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, 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. Excess progress payments are included in creditors as payments on account.

PAT MUNRO (ALNESS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

(continued)

1.7 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company. Contributions payable for the year are charged in the profit and loss account.

1.8 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.9 Quarry reinstatement provision

The Quarry Reinstatement Provision was created in the financial year ended 31 March 1999. This provision is intended to reflect the anticipated cost to the company of reinstating the land which has been quarried.

The provision is made, based on the estimated cost to the company of reinstating the land which has been quarried. Works carried out each year in reinstating the quarry are reflected as a utilisation of this provision. The movement within the Quarry Reinstatement Provision is recorded within the profit and loss account.

The adequacy of the provision is reviewed by the directors on an annual basis and reassessed in detail at least every five years. The last formal review was conducted during the year ended 31 March 2008.

1.10 Employee benefit trust

The company has established trusts for the benefit of employees and certain of their dependents. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

1.11 Cash in bank

Cash in bank includes amounts held on deposit.

PAT MUNRO (ALNESS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

2	Operating profit	2012	2011
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	482,909	505,801
	Auditors' remuneration	13,000	13,000
	and after crediting:		
	Profit on disposal of tangible assets	(2,179)	(17,253)
		<u></u>	<u></u>
3	Investment income	2012	2011
		£	£
	Bank interest	14,724	15,099
		<u></u>	<u></u>
		14,724	15,099
		<u></u>	<u></u>
4	Interest payable and similar charges	2012	2011
		£	£
	On other loans	61,515	7,162
	Hire purchase interest	4,030	8,587
	Reinstatement provision	17,659	(48,566)
	Other interest	4,550	3,533
		<u></u>	<u></u>
		87,754	(29,284)
		<u></u>	<u></u>

PAT MUNRO (ALNESS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

5	Taxation	2012 £	2011 £
	Domestic current year tax		
	U.K. corporation tax	104,483	110,677
	Adjustment for prior years	(8,930)	-
	Total current tax	<u>95,553</u>	<u>110,677</u>
	Deferred tax		
	Deferred tax (credit)/charge	(17,533)	(17,889)
	Effect of changes in tax rates	(12,794)	(13,880)
		<u>(30,327)</u>	<u>(31,769)</u>
		<u>65,226</u>	<u>78,908</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>301,511</u>	<u>323,712</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2011 - 28.00%)	<u>78,393</u>	<u>90,639</u>
	Effects of:		
	Non deductible expenses	7,273	7,127
	Depreciation in excess of capital allowances	23,073	15,210
	Adjustments to previous periods	(8,930)	-
	Marginal relief	(4,937)	(6,064)
	Other tax adjustments	681	3,765
		<u>17,160</u>	<u>20,038</u>
	Current tax charge for the year	<u>95,553</u>	<u>110,677</u>

PAT MUNRO (ALNESS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

6 Tangible fixed assets

	Land and buildings freehold £	Land and buildings leasehold £	Plant, machinery & vehicles £	Total £
Cost or valuation				
At 1 April 2011	784,045	78,049	6,196,785	7,058,879
Additions	-	-	345,943	345,943
Disposals	-	-	(76,126)	(76,126)
At 31 March 2012	784,045	78,049	6,466,602	7,328,696
Depreciation				
At 1 April 2011	284,721	30,279	4,412,131	4,727,131
On disposals	-	-	(32,605)	(32,605)
Charge for the year	19,822	3,122	459,965	482,909
At 31 March 2012	304,543	33,401	4,839,491	5,177,435
Net book value				
At 31 March 2012	479,502	44,648	1,627,111	2,151,261
At 31 March 2011	499,324	47,770	1,784,654	2,331,748

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

	Plant, machinery & vehicles £
Net book values	
At 31 March 2012	113,208
At 31 March 2011	145,031
Depreciation charge for the year	
At 31 March 2012	28,182
At 31 March 2011	46,831

Freehold land and buildings includes land of £424,931 (2011 - £424,931) which is not depreciated.

PAT MUNRO (ALNESS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

7 Tangible fixed assets

	Investment properties £
Valuation	
At 1 April 2011 & at 31 March 2012	132,765
Net book value	
At 31 March 2012	132,765
At 31 March 2011	132,765

The company's investment property with a historical cost of £97,221 was revalued to £132,765 at 31 March 2009 by the directors on an open market basis. The directors consider this value to also reflect the market value of the property at 31 March 2012.

Deferred tax of £5,852 on the surplus on revaluation of investment properties has not been provided for in the financial statements. The potential liability has been calculated based on a corporation tax rate of 24%.

8 Stocks and work in progress

	2012 £	2011 £
Work in progress	1,390,913	1,399,207
Development land, raw materials and consumables	2,477,770	2,476,850
	<u>3,868,683</u>	<u>3,876,057</u>

9 Debtors

	2012 £	2011 £
Trade debtors	876,195	1,157,726
Amounts recoverable on long term contracts	1,273,377	1,854,831
Other debtors	362,406	422,974
Prepayments and accrued income	64,156	56,071
	<u>2,576,134</u>	<u>3,491,602</u>

PAT MUNRO (ALNESS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

10 Creditors: amounts falling due within one year	2012	2011
	£	£
Net obligations under hire purchase contracts	70,528	52,561
Trade creditors	699,817	1,197,672
Corporation tax	115,706	116,196
Other taxes and social security costs	486,552	470,254
Directors' current accounts	1,548,981	1,857,879
Other creditors	78,783	230,019
Accruals and deferred income	279,220	233,618
	<u>3,279,587</u>	<u>4,158,199</u>

The obligations under hire purchase contracts are secured over the assets which the agreements relate to.

11 Creditors: amounts falling due after more than one year	2012	2011
	£	£
Net obligations under hire purchase contracts	<u>40,264</u>	<u>23,176</u>
Net obligations under hire purchase contracts		
Repayable within one year	70,528	52,561
Repayable between one and five years	40,264	23,176
	<u>110,792</u>	<u>75,737</u>
Included in liabilities falling due within one year	(70,528)	(52,561)
	<u>40,264</u>	<u>23,176</u>

The obligations under hire purchase contracts are secured over the assets which the agreements relate to.

PAT MUNRO (ALNESS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

12 Provisions for liabilities

	Deferred tax liability £	Quarry Provision £	Total £
Balance at 1 April 2011	162,551	592,244	754,795
Profit and loss account	(30,327)	17,659	(12,668)
Balance at 31 March 2012	<u>132,224</u>	<u>609,903</u>	<u>742,127</u>

The quarry re-instatement provision reflects the anticipated cost to the company of re-instating the land which has been quarried, in accordance with the company's obligations.

The deferred tax liability is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	<u>132,224</u>	<u>162,551</u>

13 Pension and other post-retirement benefit commitments Defined contribution

	2012 £	2011 £
Contributions payable by the company for the year	<u>15,917</u>	<u>17,280</u>

14 Share capital

	2012 £	2011 £
Allotted, called up and fully paid 13,335 Ordinary shares of £1 each	<u>13,335</u>	<u>13,335</u>

PAT MUNRO (ALNESS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

15 Statement of movements on reserves

	Investment property revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2011	35,544	6,665	7,469,106
Profit for the year	-	-	236,285
Balance at 31 March 2012	35,544	6,665	7,705,391

Other reserves

Capital redemption reserve

Balance at 1 April 2011 & at 31 March 2012

6,665

16 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	236,285	244,804
Opening shareholders' funds	7,524,650	7,279,846
Closing shareholders' funds	7,760,935	7,524,650

17 Contingent liabilities

The Royal Bank of Scotland plc hold a floating charge over the assets of the company for securing all sums that might become due to the bank.

The company is party to a legal agreement with 3rd parties for extraction of materials from a quarry, the agreement requires that the company has a bond in place to the value of £75,000 for the obligations and restoration costs outlined in the agreement.

The company has historically contributed amounts to Employee Benefit Trusts (EBT). HMRC continue to look into various aspects regarding the implementation of EBT arrangements. The company has taken professional advice prior to implementing the EBT's and is confident that any review by HMRC will not result in any additional taxation becoming payable.

It is the view of the directors that the timing and likelihood of any potential liability crystallising is sufficiently uncertain that, whilst we draw your attention to it, we do not believe that any provision should be made in the financial statements.

PAT MUNRO (ALNESS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

18 Directors' emoluments	2012	2011
	£	£

Emoluments for qualifying services	245,621	402,852
------------------------------------	---------	---------

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	71,205	96,045
------------------------------------	--------	--------

19 Employees

Number of employees

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

	2012	2011
	Number	Number
Operations staff	104	98
Administrative staff	14	14
Management staff	4	4
	122	116

Employment costs

	2012	2011
	£	£
Wages and salaries	3,175,576	3,177,952
Social security costs	346,711	284,898
Other pension costs	15,917	17,280
	3,538,204	3,480,130

20 Control

The company is controlled by the directors.

21 Post balance sheet events

On 18 September 2012 the company issued 500,000 £1 preference shares satisfied by the reduction in a directors loan account.